Daily Report

Latin America

FBIS-LAT-90-173
Thursday
6 September 1990

Daily Report
Latin America

FBIS-LAT-90-173 *6 September 1990*

CONTENTS

NOTICE TO READERS: An * indicates material not disseminated in electronic form.

INTERNATIONAL AFFAIRS

Arms Shipment Inquiry Enters Fourth Day *[CANA]* 1

CARIBBEAN

Cuba

Fernandez Questioned on Relations With Chile *[Havana Radio]* 2
Meeting With Chilean Ministers *[Havana Radio]* 2
Kavimirizira Comments on Cooperation Protocol *[Havana TV]* 2
Measures Implemented To Produce With Less Fuel *[Havana Radio]* 3
Pedro Ross Meets With Havana Labor Leaders *[Havana TV]* 3
Raul Castro Marks Revolutionary Navy Anniversary *[Havana TV]* 3
Soviet Children Depart After Receiving Treatment *[Havana TV]* 3
Castro Chats With Young Baseball Players *[Havana TV]* 4

Inter-Caribbean Affairs

Bahamian Opposition Delegation Visits Dominica *[CANA]* 5

Dominican Republic

Measures Taken To Prevent Sabotage of CDE *[Santo Domingo Radio]* 5
Efforts Made To Safeguard Banks During Strike *[Santo Domingo Radio]* 5

Grenada

Brathwaite 'Disappointed' Over Drug Situation *[CANA]* 6

Haiti

Election Date Canceled; No New Date Set *[Port-au-Prince Radio]* 6
CEP President Comments on Election Postponement *[Port-au-Prince Radio]* 6

CENTRAL AMERICA

El Salvador

Nicaragua Asked To Help Stem Weapons Flow *[San Salvador Radio]* 8
Vice President Merino Gives News Conference *[San Salvador Radio]* 8
Colonel Ponce Comments on Weapons for FMLN *[San Salvador Radio]* 10

Guatemala

Cerezo Makes Statement on 'Obedient' Military *[Hamburg DPA]* 10
Candidate Accuses Government of Planning Fraud *[ACAN]* 10
Price of Gasoline To Increase 45 Percent *[ACAN]* 11

Honduras

Poll Gives Results on U.S. Presence in Country *[LA PRENSA 30 Aug]* 11
Indemnity Sought From U.S. for Contra Presence *[Tegucigalpa Radio]* 11
Supreme Court Overrules Writ of Amparo *[Mexico City NOTIMEX]* 12

Nicaragua

Television Installations Returned to Authorities *[Managua Radio]* 13
Bank Unions, Management Solve Labor Conflict *[Managua Radio]* 13
D. Ortega, Lacayo Answer Questions at Forum *[Managua Radio]* 13
Bishops Urge Government To Solve Economic Crisis *[BARRICADA 30 Aug]* 18

Panama

Arias Calderon Reportedly Threatens To Resign *[EL DIARIO INDEPENDIENTE 5 Sep]* 18
Reportage Covers Dismissal of Fernando Quezada 19
Quezada's Letter Published *[LA PRENSA 5 Sep]* 19
Newspaper Director Comments *[Panama City TV]* 19
Acting Chief on Reorganization *[Panama City Radio]* 20
Vice President Calderon Comments *[Panama City TV]* 20
Column Criticizes U.S. Ambassador's Remarks *[EL SIGLO 5 Sep]* 21
Governments of Coups Will Not Be Recognized *[LA PRENSA 5 Sep]* 21
Linares Cites Concerns Over Legal Agreement *[LA PRENSA 1 Sep]* 22
Talk Show Interviews Vice President Calderon *[Panama City Radio]* 22
Vice President Ford Reveals Financial Plan *[LA ESTRELLA DE PANAMA 4 Sep]* 25
Endara on Assembly President, Gas Prices *[Panama City TV]* 26

SOUTH AMERICA

Argentina

Alsogaray Denies Rumors of Break With Menem *[TELAM]* 27
Highlights of New Economic Measures Reported *[TELAM]* 27
Common Market Agreement Signed With Brazil *[TELAM]* 27
5,000 Tons of Wheat, Windmills Donated to Peru *[TELAM]* 28
DYN, REUTERS Sign Cooperation Agreement *[DYN]* 28

Brazil

Collor Decides To Relaunch Social Pact Proposal *[FOLHA DE SAO PAULO 1 Sep]* 28
Embraer To Begin Privatization; Plans Reviewed *[FOLHA DE SAO PAULO 3 Sep]* 28
Economy Minister Explains IMF Negotiations *[FOLHA DE SAO PAULO 4 Sep]* 29
Minister Blames Businessmen, Unions for Inflation *[FOLHA DE SAO PAULO 2 Sep]* 29
Government, Businessmen, Workers Begin Talks *[Brasilia Radio]* 30
300,000 Social Security Employees on Strike *[Brasilia Radio]* 30
Missile Experts Want To Return From Iraq *[O ESTADO DE SAO PAULO 2 Sep]* 30
Newspaper Prints Provisional Measure 211 *[FOLHA DE SAO PAULO 28 Aug]* 31
Denationalization Program Law Converted *[O ESTADO DE SAO PAULO 17 Aug]* 32
Central Bank Reserves Total $8.113 Billion *[Brasilia Radio]* 36
Environmental Protection Accord Signed *[Brasilia Radio]* 37

Chile

Four Explosions Reported in Santiago 4 Sep *[Santiago Radio]* 37
More Explosions Reported *[Santiago Radio]* 37
State Funeral Held for Former President Allende *[Santiago Radio]* 37
Cuban Delegation Attends Ceremony *[Santiago Radio]* 38
Unrest During Funeral *[Santiago Radio]* 38
Foreign, Domestic Military Deployments Regulated *[EL MERCURIO 29 Aug]* 38
Foreign Minister Views Regional Relations *[CLARIN 27 Aug]* 38

Scientific Cooperation To Begin With USSR *[EL MERCURIO 29 Aug]* 39
Finnish Delegation Seeks To Strengthen Relations *[Santiago Radio]* 40
Australian Diplomat Discusses Trade Issues *[Santiago Radio]* 40
Unidentified Submarine Detected Near Iquique *[Buenos Aires DYN]* 40
August Consumer Price Index Announced *[Santiago TV]* 40

Uruguay

President Evaluates Administration's Performance *[Buenos Aires DYN]* 40
Menem, Lacalle Discuss Bush Plan, Integration *[Buenos Aires DYN]* 41
Central Bank President Reports on IMF Talks *[EL DIA 30 Aug]* 41
Favorable Trade Balance for First Half of Year *[EL DIA 21 Aug]* 42
Fuel Prices Increase 43 Percent as of 1 Sep *[Buenos Aires NOTICIAS ARGENTINAS]* 42

Venezuela

Foreign Ministry Dispute Over Embassy in Kuwait *[Caracas TV]* 42
Oil Production To Increase by 400,000 Barrels *[AFP]* 42

Guyana

Group May Support 'Third Slate' for Elections *[CANA]* 43
Government Limits Role in Observer Mission Visit *[CANA]* 43
UK, U.S. Electoral Reform Involvement Debated *[CANA]* 43

Suriname

Government Condemns Iraqi Invasion of Kuwait *[Paramaribo International]* 44
'Bastion' of Rebel Commander Brunswijk Captured *[AFP]* 44
Workers Threaten To Strike If Guilder Devalued *[Paramaribo International]* 44

Arms Shipment Inquiry Enters Fourth Day

FL0509223390 Bridgetown CANA in English 2202 GMT 5 Sep 90

[Text] St. John's, Antigua, Sept 5, CANA—The commission of inquiry into the transshipment of arms through Antigua, has heard about the disappearance of diaries kept by secretaries for two of the officials alleged to be involved in the affair.

Yvette Thomas, a secretary to former works minister, Vere Bird Jr., testified how she was told that Bird removed from the ministry, a diary she kept of his movements in 1988 and 1989. And Gloria Hall, secretary to Col. Clyde Walker, head of the Antigua and Barbuda Defence Force, said a diary he kept in 1988 on the Army chief's appointments, was be missing [as received]. She said she last saw it three months ago.

The women were testifying before British lawyer Louis Blom-Cooper who is trying to find out how the arms from Israel passed through Antigua and ended up in the hands of Colombian drug dealers.

Thomas, a civil servant employed in the Ministry of Public Works since Bird took up his appointment in 1988, said that after she returned from vacation in April of this year, she found that Bird Jr. had given instructions to remove the diary and other documents from the cabinet. She said she kept separate diaries for herself and Bird Jr. "My understanding was that the diaries were taken to Mr. Bird's home. I have not seen them since," Thomas said. She was transferred from her post in the ministry after the scandal broke in April.

On Tuesday, Bird denied he kept a diary after being questioned about his whereabouts between late September 1988 to the first quarter of 1989, the period in which the plan was discussed to get arms to set up a training school here for bodyguards.

Bird has said he was in South Korea in September 1988, and then went to New York before going on to France. He denied meeting with Israeli Maurice Safarti in Paris in October of that year. Bird also said he was unaware of who made calls and sent faxes to Safarti's Miami office early 1989. He said the transaction was made from his office in the ministry, and he would have to take full responsibility.

Hall produced a diary she kept on the army chief's appointments in 1989. However she could not give information on the whereabouts of the diary for the previous year, telling the commission she thought it "should be in my office". Hall was asked to return to her office to try and locate it.

The commission of inquiry enters the fourth day of its second stage Thursday.

Cuba

Fernandez Questioned on Relations With Chile

FL0509160290 Havana Radio Rebelde Network in Spanish 1208 GMT 5 Sep 90

[Rebroadcast of "earlier" telephone interview with Education Minister Jose Ramon Fernandez by journalist Orlando Contreras in Santiago, Chile, on 5 September—recorded]

[Excerpts] [Contreras] We are on the line with Santiago. Education Minister Jose Ramon Fernandez is on the line. Good morning, Minister.

[Fernandez] Good morning.

[Contreras] Minister, I would like to ask you a couple of questions. I should say that here in Havana it is 0709 [1109 GMT]. I think the time is the same in Santiago, right?

[Fernandez] It is exactly the same.

[Contreras] Yesterday, as is well known, a funeral was held for former President Salvador Allende. I would like to hear your personal impression of what you saw and felt at that historic event.

[Fernandez] The funeral for Allende was a tribute and an act of recognition on the part of the Chilean people. [passage omitted]

[Contreras] Thank you, Minister. According to some news reports yesterday, President Patricio Aylwin received the delegations invited to the ceremony. I would like to know what was discussed there.

[Fernandez] It was a simple reception. All the delegations were greeted. The Cuban delegation was also there, and they greeted the president. On this occasion, we also had the opportunity to greet many other delegations and officials. Several delegations are participating in these funeral services.

[Contreras] Minister, I understand that the Chilean press has constantly approached the Cuban delegation. What has been the most common question the Chilean journalists have asked?

[Fernandez] The most frequent question has been about diplomatic relations between the two countries. Radio, television, and, above all, the press have subjected us to a constant onslaught of questions. We have given numerous interviews in response to their wishes, and their most frequent and common question has been on diplomatic relations. We have also been asked about other topics but, in general, this is the question that is most frequently asked.

[Contreras] What do you tell them, Minister?

[Fernandez] My response is that this action is not up to us. Our response is that we have come here to attend the funeral service for President Allende. We will not refuse to talk to anyone. However the initiative, in any case, is up to Chile, which is the country that broke relations with Cuba.

[Contreras] Thank you, Minister. In conclusion, how have the people received the Cuban delegation?

[Fernandez] Our reception has been very good. We have received a lot of recognition. When the Cuban delegation was mentioned during the funeral procession, there was even an explosion of applause and recognition for Cuba.

[Contreras] Minister, what plans do you have for the next few days until you return to Havana this weekend?

[Fernandez] Today, we will travel to Valparaiso where we will meet with the Senate. Yesterday, we held several meetings. All this pertains to meetings. We met with the education minister and other officials and authorities. We have a very busy schedule. At 0900, in a short while, I will participate in a panel discussion on Latin America and its situation. It will be attended by different foreign authorities and officials, the Venezuelan president, and many other officials. Tomorrow we will have another meeting.

Today, Cuban Culture Minister Armando Hart has a meeting on culture with officials and individuals from other countries. Tomorrow, I will meet with the United Labor Federation and the Teachers' Association while Hart will meet with journalists. This is how we are spending our time. We have more events than we can attend even though we have been working since this morning. Last night we finished at 0200 and right now, we are just starting the day. [passage omitted]

Meeting With Chilean Ministers

FL0609030090 Havana Radio Rebelde Network in Spanish 2300 GMT 5 Sep 90

[Text] In Santiago, Cuban Culture Minister Armando Hart Davalos and Education Minister Jose Ramon Fernandez have met with Chilean Natural Resources Minister Luis Alvarado and Education Minister Ricardo Lagos. The four ministers discussed subjects of common interest for their respective countries.

The Cuban delegation is in the Chilean capital because they were invited to attend the funeral ceremonies for late socialist President Salvador Allende held yesterday. The conversation between the Cuban and Chilean ministers took place in a friendly atmosphere.

Kavimirizira Comments on Cooperation Protocol

FL0609024890 Havana Television Service in Spanish 0000 GMT 6 Sep 90

[Report by Julio Acanda from Isle of Youth]

[Text] The Cuba-Zimbabwe cooperation protocol will be signed in Havana this Thursday as a result of the sessions held by the joint intergovernmental commissions. The

head of the Zimbabwean delegation made remarks for this newscast giving a preview of the areas included in the agreement.

[Begin David Kavimirizira recording, identified by caption, in English with simultaneous Spanish translation] Cuba would like to trade in computers. There is also interest in some technical areas, such as research and medicines. We Zimbabweans can export to Cuba canned meat and beans. These are only some of the areas that have been identified. [end recording]

The Zimbabwean representative also expressed his country's appreciation for Cuba's cooperation in the field of medicine and education. The Zimbabwean representative visited the Carlos Manuel de Cespedes university branch on Isle of Youth where some 1,050 youths from his country are studying to obtain their bachelor's degree in education.

Measures Implemented To Produce With Less Fuel

FL0509211790 Havana Radio Reloj Network in Spanish 1949 GMT 5 Sep 90

[Text] The Santiago de Cuba agricultural sector has begun implementing a program that will guarantee the fulfillment of the month's production plans under the new conditions caused by lower fuel allocations. A number of tasks in which oil or gasoline are used, such as the production of hay and storage in silos, the preparation of soil, transportation of food for dairies, and other tasks are being performed manually and with the use of animal power.

Santiago de Cuba coffee harvesters stopped drying coffee beans in ovens and are now using solar energy for this. Forestry workers are making efforts to produce more vegetable charcoal to respond to the increased demand. Traffic groups have been organized at the provincial and municipal level. They are in charge of coordinating the use of the agricultural sector's transportation.

Pedro Ross Meets With Havana Labor Leaders

FL0509175590 Havana Tele Rebelde Network in Spanish 1700 GMT 5 Sep 90

[Text] In a meeting with trade union leaders from important Havana work centers, Pedro Ross, secretary general of the CTC [Cuban Workers Federation] asked workers to act in a manner appropriate to the country's circumstances. Ross expressed the need to fight all manifestations of favoritism, profit, petty theft, and robbery which affects the economy and angers the population.

The electoral process, which begins this month at the grass-roots level, as well as at the committee and trade union bureau levels, was also discussed at the meeting. It was stated that nominations will only be made by workers and that the secretary general and other positions will be elected by direct and secret vote.

Raul Castro Marks Revolutionary Navy Anniversary

FL0609021790 Havana Television Service in Spanish 0000 GMT 6 Sep 90

[Text] Army General Raul Castro Ruz, second secretary of the Communist Party of Cuba Central Committee and minister of the Revolutionary Armed Forces, has presided over the military ceremony marking the 27th anniversary of the Cuban Revolutionary Navy [MGR]. The Antonio Maceo Order was presented to the Cabanas Navy Base during the ceremony.

[Begin recording] [Unidentified man in white uniform] The troops that are participating in the military ceremony marking the 27th anniversary of the MGR and the presentation of the Antonio Maceo Order to the Cabanas Navy Base are on formation.

[Off-camera speaker] Firm and [word indistinct] that for over a quarter of a century its combatants have served in defense of the sovereignty of the fatherland and because of the high results they have constantly achieved during the preparation and readiness for the defense of all its units and the improvement of the living and working conditions of the personnel.

[Rear Admiral Pedro M. Perez Betancourt, chief of the MGR, identified by caption] When the fatherland requires the greatness of its children, the combatants of the MGR reaffirm that, as during the Bay of Pigs, the fight against pirates, and the October [missile] crisis, we are willing to pay the price of freedom, independence, and socialism—as the poet said—even when it is better to sink to the bottom of the sea before betraying the glory that has been lived. [bell rings]

[Raul Castro] That is the Demajagua bell. Long live the MGR! [crowd responds: Viva!] [end recording]

Soviet Children Depart After Receiving Treatment

FL0609023190 Havana Television Network in Spanish 0000 GMT 6 Sep 90

[Text] Going home is always a happy time for everyone. However, there were tears on many little faces this time because they were leaving behind so much love and dedication. [Soviet children seen boarding a plane]

[Begin Soviet Ambassador to Cuba Yuriy Petrov recording, in Russian with superimposed Spanish translation] I would like to stress, and I have the right to say it, that the treatment our kids receive here—not only medical treatment but their entire stay in Cuba—is very positive. For example, a few days ago, I went to the Tarara pioneer camp and spoke with the Cuban and Soviet doctors. I also chatted with the kids—the ones that are there and some that were leaving—and according to all of them the treatment has been very good and they are fine. [end recording]

Now they have a lot to talk about, meeting with Cuban pioneers, the rain, the sea, visits to recreational and

historical places, and the care of doctors, nurses, teachers, and the Cuban staff in general.

Castro Chats With Young Baseball Players

FL0609014090 Havana Television Service in Spanish 0000 GMT 6 Sep 90

[Text] Commander in Chief Fidel Castro received this afternoon the Cuban baseball players who won undefeated the World Youth Baseball Championship. [Castro is seen embracing a group of young men] The chief of the revolution chatted with the young players about the details of the championship and the traits of the participating teams, among other subjects.

[Begin recording] [Castro, surrounded by team members] Who is this?

[Chavez] This is Omar Duenas.

[Castro] Oh, this is Duenas.

[Chavez] He plays second base.

[Castro] Yes, yes. An who is this one?

[Chavez] Eduardo Paresi, the short stop.

[Castro] The short stop.

[Chavez] [name indistinct], he plays first base.

[Castro] Which was the one to bat 500?

[Chavez] This one, Vladimir (?Letier). This is Navaja Gonzalez.

[Castro] Chavez [not further identified], tell me something. Are these people going to grow more?

[Chavez] Well....

[Castro, interrupting] How are they compared to the national team members? I see the others more....

[Chavez, interrupting] Their muscles are more developed.

[Castro] What is going to happen to these people now in the next three or four years? Will they gain weight?

[Chavez] Not a lot because they continue to exercise.

[Castro] Which one looks more like Kindelan? That one?

[Chavez] [Laughs].

[Castro] Which one was the fourth batter? He did not act as a fourth batter.

[Chavez] Michel was the fourth batter.

[Castro] Will this one have the punch Kindelan has?

[Chavez] If he continues with the dedication and discipline he has he will.

[Castro] He has to put on some weight. He is more or less like Linares, more or less.

[Chavez] Yes, more or less. He is slim but has muscle.

[Castro] What position does he play?

[Chavez] Right field.

[Castro] Who plays center field, Estrada?

[Chavez] Isay.

[Castro] Isay plays center field. Who plays left field?

[Chavez] Arraga was at the left field and Estrada finished playing this position.

[Castro] Well, how about this little pitcher they had who threw one at 147 when someone gave him a (?two way)?

[Chavez] Bello was the one who gave him the (?two way).

[Casto] He threw at 147 at the time.

[Chavez] That is a fast speed for a young player.

[Castro] Who is this one? What is his name? Prado. Prado was the one that threw harder for them.

[Chavez] Yes.

[Castro] Who was their best pitcher? There was one they say had punched 28 in 21 innings. Who was the other one?

[Chavez] [Name indistinct], the one that opened the game in eight innings. He had punched 15.

[Unidentified speaker] The left-handed, the last one was the one who had the punch record.

[Castro] Yes, the one that came after Prado. The one that came after Prado. [repeats] Now, the one that threw fast balls also threw curves. You batted a straight one.

[Chavez] [Name indistinct] also gave him another one. He had also pitched eight innings the day before.

[Castro] Oh, he had pitched the day before?

[Chavez] Yes.

[Castro] The same pitcher?

[Chavez] Yes.

[Castro] This Prado?

[Chavez] Yes, Prado.

[Castro] And he lost.

[Chavez] He lost.

[Castro] How about the umpires?

[Chavez] More or less.

[Castro] There was one that called some very low balls.

[Chavez] There was one that called a play when I was expelled that was not easy to deal with.

[Castro] You did the right thing in resisting as much as possible. That was an unfair play. It was clearly seen. What was being discussed?

[Chavez] That it had gone outside home.

[Castro] It was clearly seen on television that it did not get to home. That was seen clearly. The ball touched before the foot did. That play was clearly seen over television. Was that against the Chinese?

[Chavez] Against the Chinese at the eighth inning, and the tie was at stake. That was some game.

[Castro] The score was one to zero.

[Chavez] Taipei was winning. We were going to tie the game there.

[Castro] What inning was that? That was not on the eighth.

[Chavez] Yes, on the eighth.

[Castro] No, no. It was before.

[Players] That was on the seventh. We went ahead on the eighth.

[Castro] Had it been on the eighth inning the mess would have been worse. [laughter]

[Players chant] Let the born and those who are about to be born know that we were born to win and not to be defeated. [applause] [a player places a medal around Castro's neck] [end recording]

Inter-Caribbean Affairs

Bahamian Opposition Delegation Visits Dominica

FL0509145790 Bridgetown CANA in English 1357 GMT 5 Sep 90

[Text] Roseau, Dominica, Sept 5, CANA—A Bahamian opposition delegation which visited Dominica Tuesday would like to see closer ties between the Bahamas and other Caribbean Community [Caricom] member countries. The seven-member delegation headed by Bahamian opposition leader Hubert Ingraham and comprising members of his Free National Movement Party, called on Prime Minister Eugenia Charles and Dominica's opposition leader Edison James. The delegation is on a swing through the Caribbean which has included stops in Trinidad and Tobago, Barbados, and St. Lucia.

"We want to be fully acquainted with all the issues related to Caricom, so that the Bahamas doesn't have to continue its courtship with Caricom where it only participates in the political process, (and) the education process to some extent," the opposition leader told the CARIBBEAN NEWS AGENCY.

"(We want to) see whether or not we can't make some firm decision as to the extent to which we could really be involved in the Caribbean as a full part of it."

He said trade is also an important consideration for the delegation, which will visit Antigua, Jamaica, Belize, and Guyana. Ingraham said his party wanted "to see whether or not we can't assist by having more trade with the Caribbean ourselves, because we are an importing country—we import lots of stuff".

He added: "One sixth of our tourist revenue is used to import foodstuffs to feed ourselves and tourists. And there are many things in the Caribbean that could be imported by us."

He mentioned soaps produced by Dominica Coconut Products, a company now experiencing problems with its major market—Jamaica—because of imports from Latin America. He said the talks here covered "matters which affect Caricom, the potential for trade with the Bahamas, (Dominica's) political system, the extent to which the opposition is comfortable with the electoral process, (and) its views on political broadcasting in the society."

Dominican Republic

Measures Taken To Prevent Sabotage of CDE

FL0509181790 Santo Domingo Radio-Television Dominicana Radio Network in Spanish 1600 GMT 5 Sep 90

[Text] In Santiago, the Armed Forces, National Police, and National Directorate of Investigations, DNI, have conducted joint activities to prevent the sabotage of the CDE [Dominican Electricity Corporation].

This was reported by General Ramon Alfide Rodriguez Arias, chief of the northern region police command. He said that officers have already been sent to the regional CDE headquarters for this purpose. Authorities will make the greatest efforts to prevent any actions that will hurt the country, he said. Gen. Rodriguez Arias said that the authorities and officers will apply the necessary measures to contribute to the country's tranquility.

Efforts Made To Safeguard Banks During Strike

FL0509184490 Santo Domingo Radio-Television Dominicana Radio Network in Spanish 1600 GMT 5 Sep 90

[Text] Security measures for state and commercial banks in Santiago have been reinforced during the past few hours. Members of the military, policemen, and private security people are participating in these efforts. Most of the security people—whether they are military or civilian—have taken up positions on Sol, Treinta de Marzo, Sanchez, San Luis, and other streets where banks are located. It is widely believed that the security measures are related to the announcement of a strike on 10, 11,

and 12 September. The largest security operations were observed in Santiago at the Central and Dominican Peoples Reserve Banks, the Escocia Trade Bank, the Savings and Loan Association, and at other locations.

Grenada

Brathwaite 'Disappointed' Over Drug Situation

FL0509221590 Bridgetown CANA in English 2148 GMT 5 Sep 90

[Text] St George's, Grenada, Sept 5, CANA—Grenada Prime Minister Nicholas Brathwaite has expressed disappointment with the failure of the island's law enforcement officers to arrest the "big wigs" involved in the illicit drug trade. According to a broadcast on state-owned "Radio Grenada," Brathwaite complained about the drugs situation while talking to reporters in Britain where he is paying an official one-week official visit.

The Grenadian leader said that if there is one disappointment he has since taking office in March is the failure of the police to apprehend some of the big drug pushers in Grenada. "We have not been able so far to identify any of the big wigs, and I am a little bit disappointed," he said. "I personally believe that we do have some people who could be considered influential, who are involved (in the drug trade). We do not have the hard evidence which we can use to take action against them," he added.

In the last general election, the ruling National Democratic Congress (NDC) campaigned on an anti-corruption theme and promised to deal harshly with those involved in the illegal drug trade.

In recent years, the police itself has come in for criticism from some members of the judiciary for its failure to bring in the big drug dealers.

Brathwaite stated that with the support of some of "our friends we are doing everything possible to ensure that we are put in a position to identify them (drug dealers) and then to get the evidence which would put us in a position where we can take firm action against them". He said that efforts are being made to step up security on the island.

Brathwaite said the Grenada Government was seeking assistance from Britain to beef up the operations of the police force. He said that an approach has been made to the British Government for the provision of a security advisor to work alongside the soon to be installed new police commissioner, Nestar Ogilvie. Ogilvie, the second in command of the Jamaica Defence Force, is due to replace Samuel Brookes in October as Grenada's top cop.

Brathwaite was confident that the British expert could help Ogilvie who has basically a military background to improve on the level of efficiency of the police force. He said this is badly needed to make the population feel that "the force has returned to the kind of traditional position which it once enjoyed".

Haiti

Election Date Canceled; No New Date Set

FL0509160390 Port-au-Prince Radio Nationale in Creole 1300 GMT 04 Sep 90

[Text] You have already heard the news about the election. Voter registration has been postponed until 5 October 1990. Meanwhile, the 4 November election date has been canceled, and the Provisional Electoral Council [CEP] has not set a new election date.

The Reverend Sylvio C. Claude has reacted to this, in the name of the Haitian Christian Democratic Party [PDCH]. He accused the CEP of crooked wheeling and dealing in collusion with the members of the Unity Committee for the Respect of the Constitution; the Assembly for Concerted Action, made up of seven political parties; and the State Council who are asking for Mrs. Ertha Pascal Trouillot to step down.

The PDCH says these men wanted elections in 1987 because they had something particular in mind; however, they do not want elections in 1990, because (?they will not win them).

CEP President Comments on Election Postponement

FL0509170790 Port-au-Prince Radio Nationale in Creole 1300 GMT 4 Sep 90

[Excerpts] We interviewed Provisional Electoral Council [CEP] President Jean-Robert Sabalat, who has declared that the CEP has had to postpone the 4 November elections to an as yet unspecified date because they have economic problems—problems with financing. [passage omitted]

Also, Sabalat said he received a phone call from Canada yesterday informing him that the paper needed for the voter registration will not arrive until 1 November. We are going to have you listen to statements by Jean-Robert Sabalat, president of the CEP.

[Begin Sabalat recording] We have enough of a sense of sobriety and responsibility to not hold hastily thrown together elections. Perhaps some people would prefer to see us hold elections at any price. However, we have said it before and we will say it again: We will not hold elections at any price, under just any old conditions. We have never said we are not willing to (?make do); that is precisely why we spoke of getting together at one point. This is something that concerns the Haitian people. We are holding these elections for the whole country.

We are not suggesting any particular solution. We, however, did say that at one point we would inform the population about our difficulties, and the population could try to find a solution if it really wants elections to be held in the country because, at a certain point, we cannot be responsible for all the factors. The fact that we are an independent electoral council and that we are responsible for holding elections

does not give us the right to close our eyes and then say: We must hold elections whatever circumstances may be. [passage omitted]

But we are not quitting completely. We are on the scene, we are going ahead, and I think that, with the few means that were at our disposal, we have already gone a long way. [passage omitted]

And if you want to know, I will add something else that will make you see the spirit of.... [rephrases] How can I say that? We have to be willing to make things move along. The CEP members have accepted relinquishing their own cars so that these cars can be sent to the Departmental Electoral Bureaus [BED's] so that the BED's can function. These are rented cars, secondhand cars, cars that often experience problems. These are the cars we are using now. [end recording]

CEP President Jean-Robert Sabalat also said that a lack of coordination explains why the people who usually give money have not been able to do so to make the electoral process go forward in Haiti. He also said that the task does not depend on the CEP's competency, but rather on the competency of the government, which must provide the adequate and proper means that will permit the CEP to hold the elections in Haiti.

[Begin Sabalat recording] [passage omitted] Thus, I think that instead of people's.... [rephrases] people's accusing us of having certain intentions, before accusing us (?point blank), they could have first come to see us and talk to us, because we are here to help everybody. We are here to hold elections for all candidates. We are not here to favor one camp or another, and we think we have shown it so far. We are not in favor of any candidate. [end recording]

El Salvador

Nicaragua Asked To Help Stem Weapons Flow

PA0509162090 San Salvador Radio Cadena YSKL in Spanish 1218 GMT 5 Sep 90

[Text] The Salvadoran Government has asked the Nicaraguan Government for greater cooperation in controlling the transshipment of weapons from Nicaraguan to the Salvadoran guerrillas, Foreign Minister Manuel Pacas Castro has reported. The Salvadoran foreign minister said that his country has also asked Violeta Chamorro to severly punish the Salvadorans who are arrested in Nicaragua for sending weapons to the Farabundo Marti National Liberation Front [FMLN].

This request was made by the Salvadoran Government after a shipment of weapons, allegedly for the FMLN, was uncovered the week of 26 August in Honduras. At that time, a French female citizen was also arrested.

Foreign Minister Pacas Castro did not blame the Nicaraguan Army for this alleged transshipment of weapons from Nicaragua to El Salvador, as this government used to do when the Sandinists were in power. Instead, the Salvadoran Government is saying that these actions are attributable to people and not the institutions.

The Salvadoran foreign minister said that ever since she came to power on 25 April, President Chamorro has issued instructions to the Sandinist Army so that it would not take actions violating the commitments made within the framework of the Central American peace negotiations known as Esquipulas II.

The Salvadoran Government asked the UN Observer Group in Central America to help prevent any transshipment of war materiel from Nicaragua through Honduras.

Vice President Merino Gives News Conference

PA0609013490 San Salvador Domestic Service in Spanish 2125 GMT 5 Sep 90

[News conference by Vice President Francisco Merino with unidentified reporters at the 14th meeting of vice presidents from Central America and Panama in San Salvador; broadcast in progress—live]

[Text] [Merino] ... to spend close to 50 or 60 million Costa Rican pesos, and this is one of the leading obstacles. I must stress that the EEC has pledged to provide $20 million in aid for the five Central American countries so that the Central American Parliament can be formed. This aid will be withheld as long as Costa Rica fails to ratify its participation.

Another important point is our ability to implement a regional development plan for micro and small businesses. Each of the countries are making individual efforts, but I believe that joint efforts in some cases would yield larger amounts of funds and resources from the EEC and cooperating organizations.

The [presidents] will also examine the UN's special cooperation program, the Central American economic action program proposed at the last presidential summit in Antigua, Guatemala, and the Initiative for the Americas presented by President Bush.

The technical preparatory commission will be stating its views on these topics, and the vice presidents will make every effort to prepare the resolutions and a joint declaration concerning these issues. In the resolutions, we will support and back the agreements reached by the precidents at the last presidential summit. We will establish ourselves as the body that will follow up the fulfillment of the agreements reached in Antigua, Guatemala. The agreements are to be fulfilled by the ministries that are in charge of preparing the forthcoming presidential summit.

El Salvador is honored to host this important event because such a long time has passed since it was able to hold such a meeting in its territory. At the presidential summit, we will advocate monthly technical preparatory commission meetings, as Honduras and Panama have requested. El Salvador will fully support the monthly meetings, rotating them among each of the Central American capitals.

[Reporter] [Question indistinct]?

[Merino] The last meeting was held in Guatemala in June. For the new governments in Costa Rica, Honduras, Nicaragua, and Panama, it was the first time they attended a meeting of all of the presidents. This will be their second meeting.

[Reporter] [Question indistinct]?

[Merino] The EEC fully supports the parliament's formation by the five Central American countries. Costa Rica has been considering it; Costa Rican newspapers have reported over the past few days that Deputy Rolando Lacle Castro, leader of the ruling party's faction at the assembly, says that he will do everything he can so that his colleagues will vote against the parliamentary initiative because he feels that it will not be advantageous for Costa Rica to become involved in a forum that cannot guarantee democratic integration.

I believe that the Central American countries, especially those that have suffered the effects of armed movements, have done more than a worthy job in making their democratic development succeed despite violent events. Even though Costa Rica has enjoyed greater stability and peace over the past few decades, the effort that we are making should be accepted, approved, and acknowledged as sufficient for the region to form an organization that will allow open discussions among all of the Central American countries' ideological trends.

[Reporter] [Question indistinct]?

[Merino] Panama, in fact, has already presented its request to join Central America's integration organizations. This is why President Endara participated in the

last presidential summit. I believe that we are about to take that step because integration means precisely that—to have the broad and open resolve to share the region's good, bad, and ugly sides. Therefore, Panama may very soon be included in some of these political and economic Central American integration organizations.

[Reporter] [Question indistinct]?

[Merino] Two great theses are being debated regarding our promotion and development programs for micro and small enterprises. According to one thesis, the governments must conduct and direct all the activities in favor of the sector, and according to the other thesis, the governments only establish the guidelines. In this sense, the new Central American governments seem to agree that the governments must reduce, as much as possible, the governments' participation to simply establishing the guidelines. The governments must also be able to guarantee the exercise of the private sector's activities. We believe that in this field, the international organizations, the nongovernmental organizations, and the private foundations are carrying out a magnificent job in training, advising, and financing the micro and small enterprise sector. The government should only get involved in those areas in which its participation is necessary.

However, this is currently being carried out in a different way in each one of the countries, and there is still no official common denominator.

[Reporter] [Question indistinct]?

[Merino] The protocol was already signed by the five executives—that is, the four presidents and the second vice president of Costa Rica. The executive branches of the five countries agreed to continue the steps to ratify the aditional protocol. But out of the five countries, only four have ratified it through our respective congresses. This does not affect integration because the protocol itself states that after three countries have ratified their protocols and elected their deputies, the application may begin to work. Therefore, by May of next year, we should be able to hold the first meeting of the Central American Parliament in the city of Esquipulas.

Nicaragua's integration, of course, depends on their holding elections since it is established that the deputies must come from a direct election, and their election period is six years. Therefore, they would have to agree to a special date just to elect deputies to the Central American Parliament.

Costa Rica has a similar situation since their general elections are held every four years. They would have to use an exclusive date to elect their deputies to the parliament.

So even if the functioning governments would not be affected, the agreements would lack weight because only three countries would be functioning as of the next year.

[Reporter] [Question indistinct]?

[Merino] Venezuela and Mexico have been emphatic in stating that the Central American region will not be left without the agreed-upon petroleum quotas. What they have not guaranteed is that they will maintain the prices, and that is one of the situations on which the economy ministers are working right now. They are trying to keep the petroleum invoice from affecting the fuel prices' scale which would create even worse inflationary consequences than the ones we have had in the past.

I must stress that the vice presidents have achieved more harmony in work and have been more agile than other technical instances.

These technical instances keep finding positions that are difficult to overcome, maybe due to financial commitments. Maybe that is why the agreements have been taking longer than expected.

In our case, we believe that the desire for integration must be clear, and perhaps when there is something that must be sacrificed for the common well-being, we must take the first step while undestanding that we can achieve more as a region and as a bloc of countries than by acting bilaterally. One such example is the Central American electrical interconnection, which will fulfill the electric energy needs in the short or medium term. We have received the report from the Lempa River Hydroelectric Executive Commission, CEL, which states that, by the end of this decade, El Salvador will be suffering an energy deficit that could be compensated for by the use of petroleum-based fuel. The use of petroleum-based fuels would imply a much higher cost than the energy produced by hydrologic resources as well as the geothermal plants currently operating in the country.

[Reporter] [Words indistinct] the previous vice presidents' meetings?

[Merino] There have been two moments. In the first one, the very existence of a vice presidents' meeting was unthinkable. Between 1986 and 1988, such meetings were not very successful because it was unusual for vice presidents to become involved in the decisionmaking processes of any one country. From 1989 up to the present date, the vice presidents' efforts led to a direct assistance of approximately $60 million, which came from the UN Special Cooperation Plan for Central America, the Three-Way Border Development Plan, and a preliminary donation by the Central American Parliament for the Parliament's creation and legislation. If our efforts succeed, the region will receive approximately $800 million next year for various programs.

[Reporter] Would President George Bush's Initiative for the Americas be affected if the Central American Parliament is not created?

[Merino] The proposal would be somewhat delayed because the parliament is the body that should debate this general and regional initiative. In the absence of such an organization, the bilateral efforts would delay

the application of these kinds of economic initiatives, which are very necessary at this time.

[Reporter] [Words indistinct] the Central American Parliament?

[Merino] In Guatemala on 11 November and in El Salvador on 17 March, which is the tentative date set by the Central Electoral Council [CSE], although it has been proposed to hold the elections a little in advance, perhaps before 17 March.

[Reporter] [Words indistinct] a proposal that had been presented to the CSE to amend the Electoral Code and thus hold joint elections.

[Merino] Yes. The Electoral Code had established limitations on the Central American Parliament's elections, saying a special law was required. There are two alternatives: either a special law apart from the Electoral Code or amending the Electoral Code by introducing the regulations for the parliament's elections. The vice presidency will present a proposal at the interparty forum because the vice presidency thinks that all electoral legislation should be sufficiently supported by the opposing political forces because it is these forces that should guarantee the competitiveness of the elections within a legal and adequate framework. Because the parties have been studying the proposals for the dialogue commissions, we have waited for this point of debate on elections to be settled so we can discuss the law that will regulate the elections of the Central American Parliament.

Colonel Ponce Comments on Weapons for FMLN

PA0509163490 San Salvador Radio Cadena YSKL in Spanish 1221 GMT 5 Sep 90

[Text] The shipments of weapons by the Sandinist People's Army of Nicaragua to the Salvadoran guerrilla shows the moral commitment that the Sandinist National Liberation Front [FSLN] government had to the guerrillas, Salvadoran Defense Minister Colonel Rene Emilio Ponce has said.

According to the military chief, after a shipment of weapons for the FMLN was uncovered in Honduras, it was also reported that there were some plans to attack the 6th Infantry Brigade and the Atonal Battalion with headquarters in Usulutan. He also said there were plans to attack the 3d Infantry Brigade with headquarters in San Miguel. According to Col. Ponce, all of these facts clearly show the assistance from Nicaragua for the Salvadoran rebel groups.

Guatemala

Cerezo Makes Statement on 'Obedient' Military

PA0609002690 Hamburg DPA in Spanish 2323 GMT 5 Sep 90

[Text] Guatemala City, 5 Sep (DPA)—Guatemalan President Vinicio Cerezo today made a strong public statement regarding the recent changes in the top military command and the rumors of a coup.

The decisions of the president of the Republic, who is also the Army commander in chief, "are unappealable. The Army is respectful, obedient, and nondeliberating," said the statement included in a government communique.

Cerezo appointed General Roberto Mata Galvez, an officer he trusts completely, as Army chief of staff, and ordered other changes in the military high command.

Rumors about unrest in the military ranks, which could lead to a rightist military uprising similar to those that Cerezo successfully resisted in May 1988 and May 1989, circulated in Guatemala in the past few days.

Referring to these rumors, Cerezo said: "The Army should feel great satisfaction in contributing to the democratic opening in which the Guatemalan people live." He asserted that he "would not let this opening be affected."

Cerezo added: "Any officer who becomes involved in politics will be tried by a court martial."

Candidate Accuses Government of Planning Fraud

PA0509214190 Panama City ACAN in Spanish 1713 GMT 5 Sep 90

[Text] Guatemala City, 5 Sep (ACAN-EFE)—Leaders of the Union of the National Center (UCN), the main opposition force in Guatemala, today accused the Christian Democratic government of Vinicio Cerezo of preparing an atmosphere for "political fraud" in the November elections.

UCN presidential candidate Jorge Carpio explained that he suspended his trip to Venezuela and the United States, where he would meet with political leaders of the two countries, "due to the uncertainty that has emerged in the last few hours."

The UCN leader said his candidacy, which has been accepted by the Citizens' Registry (RC), "is absolutely firm, and I will not permit fraud."

Carpio said Christian Democracy "is plotting against the democratic system to confuse the Guatemalan people," who must express their political will on 11 November to elect their new leaders.

"The UCN denounces Christian Democracy, the government, and its allies of orchestrating a series of maneuvers

to provoke chaos, disorder, and distrust so as to promote political fraud in favor of their candidate, Alfonso Cabrera," he stresed.

The UCN presidential candidate explained that the first phase of the plan began with a "dirty campaign" against him and most of the UCN leaders through the radio, adding that "we are slandered and maligned to tarnish our professional lives."

He added that the second phase of the strategy to "manipulate and distort the electoral process" has already begun with President Cerezo's plan to travel to the United Nations at the end of September.

According to Alfredo Baisells, president of the bar association, if the president travels to the United Nations and Vice President Roberto Carpio assumes the presidency, his brother, Jorge Carpio, will be "ineligible" to be a candidate.

In this regard, the UCN leader said that even though Cerezo travels abroad, he continues to be president and therefore this does not harm him. Nevertheless, he asked the president to reconsider his trip to the United Nations.

Carpio also demanded that the government and Christian Democracy "stop the dirty campaign to discredit the UCN members and concentrate in the electoral struggle with dignity and honesty."

The presidential candidate also expressed "concern" about the changes the president made in the Army high command on 3 September, only two months from the elections and four months from turning over power in January.

Price of Gasoline To Increase 45 Percent

PA0509174890 Panama City ACAN in Spanish 1648 GMT 5 Sep 90

[Text] Guatemala, 5 Sep (ACAN-EFE)—The Guatemalan Government announced a 45-percent increase in the price of gasoline today "because of the Persian Gulf crisis." The price for a gallon (3.8 liters) of "super" gasoline rose from $1.17 to $1.59, and "regular" gasoline rose from $1.12 to $1.64.

Energy and Mines Minister Raul Castaneda said the price of diesel will remain at $0.65 per gallon in order to "avoid an exorbitant increase in the family basket."

Honduras

Poll Gives Results on U.S. Presence in Country

PA0209045990 San Pedro Sula LA PRENSA in Spanish 30 Aug 90 p 8

[Text] San Pedro Sula—The results of the latest CID-Gallup poll conducted in our country have indicated that two out of every three Hondurans believe the Armed Forces commanders support democracy in our country while only 11 percent believe they go against democracy. One out of every four persons who believe the latter have a university degree.

According to the poll, half of the people interviewed want military conscription to be eliminated, and one out of every three did not have an opinion on the matter.

On the subject of U.S. soldiers in Honduras, the poll indicated that opinions are divided: Four out of every 10 Hondurans want U.S. soldiers to stay and three want them to leave.

Older persons were the ones who most favored the "gringos" staving in the country. The people with more education among those polled usually did not share this opinion.

Those who believed that U.S. soldiers should leave the country were asked for their opinion on joint military maneuvers: 46 percent believed maneuvers should be canceled, 35 percent said they should continue, and 19 percent either said they did not know or did not answer the question.

The overall poll results showed that two out of three Hondurans consider the United States as Honduras' "best friend." Other countries mentioned were Costa Rica and Japan. The results showed that almost one out of every 10 Hondurans believes there is no country that is Honduras' friend.

Regarding relations with El Salvador, most of the people interviewed believe that relations with the country continue to be the same: 18.6 percent stated relations were improving, 39.1 percent that they are the same, 15.7 percent that they are getting worse; and 26.5 percent did not know or did not answer the question.

The Catholic Church, followed by the Armed Forces and television newscasts, received the most favorable remarks when the people interviewed were asked about their opinions regarding national groups or associations.

Positive reaction to the Catholic Church is probably aided by the fact that 66 percent of all Hondurans profess the Catholic religion. The unions and businessmen's associations were the least favored groups.

Indemnity Sought From U.S. for Contra Presence

PA0509044290 Tegucigalpa Voz de Honduras Network in Spanish 1145 GMT 3 Aug 90

[Text] Deputy Nicolas Cruz Torres, a member of the National Party of Honduras, presented a motion at the National Congress whereby Honduras will ask the U.S. Government for 20 million lempiras in reparation for the damages suffered by Honduran producers and merchants as a result of the counterrevolutionaries' presence in Honduran territory. Following the motion's approval by the legislative branch, we asked Cruz Torres how the process is developing.

[Begin recording] [Cruz Torres] I want to announce that approximately two weeks ago several of the individuals affected by the contras and I met with the Honduran foreign minister to ask the government to step up its efforts. The foreign minister informed me that he had already contacted the Honduran ambassador to Washington and instructed him to carry out the necessary procedures at the State Department.

Meanwhile, we are sending transcripts of the resolution dictated by the Honduran Congress to the U.S. Senate and House, several congressmen, especially the Republican and Democratic House and Senate leaders, to attain reparation for the damages caused to several Honduran businessmen. These damages have done considerable harm to the country's economy.

We are demanding reciprocity from the U.S. Government because, as you may recall, the Honduran Government had to pay over 7 million lempiras to Temistocles Ramirez, an American citizen, who had illegally occupied lands in Colon Department. When a military training center was established, this individual complained to the U.S. Government and Congress, and as a result the U.S. Government froze part of its aid to Honduras.

I believe that just as Honduras—a poor country like Honduras—was forced to pay an indemnification of 7 million lempiras to this gangster, Honduras is also in need of reciprocity to pay the debts left behind by the Nicaraguan Resistance in Honduras, and to repair the damages inflicted on coffee producers in the eastern part of the country.

[Reporter] Why have the procedures taken so long?

[Cruz Torres] As you know, this type of procedure must be handled very carefully because Honduras does not have jurisdiction over the United States, which precludes its lodging a complaint from Honduran territory concerning the contras' source of financing in our country. Therefore, we are currently exhausting diplomatic efforts to see if it is possible to attain this reparation. Should our efforts fail, we will, as a last resort, hire a Washington law firm to lodge a complaint in the United States.

[Reporter] Can you guarantee that the United States will pay?

[Cruz Torres] There should be some practical form of loyalty to Honduras, which is an ally to the United States. In this case, Honduras suffered economic and physical consequences that claimed the lives of many Hondurans who died in a war that was not ours. There were also ecological damages, which is why the Honduran Government has even established a Green Battalion, as they are called in Yamales, to try to continue working on that area's reforestation. The area was leveled as a consequence of the presence of the armed Nicaraguan unconventional forces in our country.

[Reporter] There are sectors that doubt that the indemnification will be paid.

[Cruz Torres] I believe that there should be some degree of acceptance because the United States knows that the situation existed. The people are fully aware of who financed that armed group in our country. There are press dispatches and there have been debates at the U.S. Congress. The United States is directly responsible, and consequently it is my opinion that it should pay. [end recording]

Supreme Court Overrules Writ of Amparo

PA3108141990 Mexico City NOTIMEX in Spanish 1946 GMT 30 Aug 90

[Report by Salvador Borja]

[Text] Tegucigalpa, 30 Aug (NOTIMEX)—It was reported here today that the Honduran Supreme Court has overruled a writ of amparo in favor of Juan Ramon Matta Ballesteros filed by his lawyer, Miguel Angel Izaguirre.

According to a report published today in the local press, Izaguirre filed a writ of amparo for Matta Ballesteros before the Supreme Court because he felt that his client's kidnapping violated Honduran law.

Police captured Matta Ballesteros on 5 April 1988 near his home in Comayaguela's Los Angeles neighborhood. He was then turned over to DEA [Drug Enforcement Administration] officials who took him to Los Angeles, California.

Izaguirre filed the writ of amparo before the highest Honduran court in an effort to get the court to declare the arrest unconstitutional and have Matta Ballesteros repatriated.

The writ is based on Article 102 of the Honduran Constitution, which establishes that "no Honduran can be expatriated or delivered by the authorities to a foreign state."

However, the Supreme Court unanimously decided to overrule the writ of amparo. Supreme Court President Oswaldo Ramos Soto noted that the main reason for overruling it was that the defense counsel did not present the writ within the time established by law for such actions, 60 days.

A Los Angeles federal court had convicted Matta Ballesteros for several crimes and for his involvement in the murder of DEA agent Enrique Camarena Salazar, who was slain in Guadalajara (Mexico) in 1985.

Nicaragua

Television Installations Returned to Authorities

PA0509144190 Managua Domestic Service in Spanish 1343 GMT 5 Sep 90

[Text] At approximately 2200 last night, the master control room at Sistema Nacional de Television, located in Bolonia neighborhood in Managua, was returned to its authorities.

The installations had been seized by members of the Sandinist Front's organization of disabled, the ORD [Organization of Revolutionary Disabled], to demand a reevaluation of the pensions for the disabled, retirees, and mothers of heroes and martyrs.

Carlos Briceno, director of Sistema Nacional de Television, and Danilo Lacayo, director of information for the Presidency, received the installations. The government negotiated a readjustment in the pensions of the war disabled, and a commission was created to continue these negotiations tomorrow afternoon.

Bank Unions, Management Solve Labor Conflict

PA0509162790 Managua Domestic Service in Spanish 1349 GMT 5 Sep 90

[Text] The situation at some banks where employees had been staging staggered strikes was resolved last night. Officials of the Central Bank and the National Financial System [SFN] and representatives of the SFN unions signed an agreement establishing a 45-percent increase in the salaries up to August. The workers will first obtain a 25-million cordoba increase, retroactive to July, and a 40-gold cordoba compensation, because in August the bank employees did not receive the previously approved 50 gold cordobas.

A commission will be formed on 10 September with delegates of the SFN directorate, the Labor Ministry, and the federation of bank workers' unions to undertake an overall review of the problems dealing with salaries and other topics. All sides promised to continue their dialogue.

D. Ortega, Lacayo Answer Questions at Forum

PA0509205890 Managua Domestic Service in Spanish 2125 GMT 31 Aug 90

[Question and answer session held after the forum on modernizing the state and democracy with former President Daniel Ortega and Presidency Minister Antonio Lacayo with local political party representatives at the University of Nicaragua in Managua—live]

[Excerpts] [Moderator] Mr. Agustin Jarquin [President of the National Democratic Confidence Party] please go ahead.

[Jarquin] Good afternoon dear speakers. [Words indistinct] many pleasant memories, wonderful memories. Good afternoon Nicaraguan comrades and special guests.

Engineer Lacayo listed very precisely the objectives of Mrs. Chamorro's government of national salvation. He mentioned specific actions that the Government of National Salvation has been conducting during the last few months. While Lacayo points out these actions, some people have described them as an attempt to return to a Somozist past and others have described them as indication of understanding the Sandinist motives.

But the truth is that concerted efforts are necessary. In order to make those efforts happen, we must add an objective [words indistinct] of the reality to the government's true will.

I want to ask former President Ortega why it took over 10 years to grant autonomy to this university and why was it granted precisely at the beginning of this presidential term, when the people had confirmed Mrs. Chamorro as the president of the Nicaraguan people. Why did you and some of your comrades, who, if I recall correctly, were never chosen through any elections, but who described themselves as elected officials, threaten to cut off the hands of all those who dared to mention or conduct strikes?

Why is it now right [passage indistinct] of the government amid a critical economic situation? And yet a few months ago, [words indistinct] over 40,000 Nicaraguans were dismissed as part of a process that was described as labor tightening. [Words indistinct] of what we have here.

I am mentioning this now because if we fail to establish priorities, it will be difficult to build trust with the people, which is essential to make concerted efforts. The Government of National Salvation, headed by Mrs. Chamorro, has extended its hand and it hopes to [word indistinct] from the part of the opposition. For this to be an efficient and effective action, we must admit the country's reality, because if we fail to do so, we will be deceiving the Nicarguan people. [passage omitted]

[Ortega] Mr. Jarquin just asked me a couple of questions. He first asked me why the University of Nicaragua was granted its autonomy after 10 years of Sandinist government. Here is my answer: I also wonder why after 10 years I gave land ownership certificates to many Nicaraguans who had been living in houses or on land that was recovered for the people by the revolution. We had to protect those citizens. We had to protect those families. And we also had to protect the university, because it obtained its freedom with the revolution and the recent change in government jeopardized that freedom. [applause] That is why the university's autonomy became an instrument to guarantee the freedom that the university had achieved with the revolution.

Furthermore, let us recall what has happened with the new government. One of its first actions was against the university [words indistinct] famous, where [word indistinct] against the university and deprived the students from the free [word indistinct] that they had achieved with the revolution. The new government also threatened the scholarship program. [applause]

And now that we are at the university, this is a good opportunity to ask the government not to implement any cutbacks in the scholarship program. The scholarship program established by the Sandinist government, despite the embargo, blockade, and war, should remain unchanged. In addition, the government should grant a good budget for the university. [applause]

Mr. Jarquin also mentioned the threat about cutting off the workers' hands if they organized a strike. [Words indistinct] how many workers have had their hands cut off? It is strange or perhaps not so strange that Mr. Jarquin did not mention the thousands of workers who were killed by the Yankees, the mercenaries, and the war policy imposed on the Nicaraguan people, which caused the death of over 70,000 Nicaraguans. I believe that as Nicaraguans, we, who are here [word indistinct], should at least have the courage, dignity, and honesty to point out those who are truly responsible for the war that the Nicaraguan people were forced to endure. [applause]

Mr. Jarquin also talked about the unemployed during the Sandinist government. [Words indistinct] there were people who were unemployed as a result of the economic program we implemented in 1989. But we did not cause that unemployment for the reasons that the current government is causing it now. At present, people are dismissed for political revenge or simply because dismissing employees allows the government to save money.

The Sandinist government dismissed workers, but we had other employment sources. No worker was dismissed without being offered another job. The only thing we demand now is that if the government plans to dismiss a worker, this worker should be offered another job, and the government should create the necessary conditions for that person to survive and fulfill his or her basic needs until he gets another job from the government or on his own. Well, [words indistinct] answer [words indistinct] one, two, three, four [words indistinct]. [applause]

[Moderator] Lacayo has the floor. You may answer the questions now.

[Lacayo] I am going to briefly discuss the unemployment issue because I think it is important to know where we stand on this issue.

At present, there are 115,000 public employees, including the central organizations' workers, teachers, doctors, Government Ministry employees, and Army [word indistinct]. Approximately 3,000 people have been dismissed and 2,000 have been rehired [words indistinct] a difference of 1,000 people. The 1,000 dismissed employees do not even represent one percent of the 115,000 government employees. This, however, does not mean that the economic measures are going to generate jobs immediately.

The economic measures, be they capitalist or socialist, are the equivalent of medical treatment for a sick patient. [crowd boos] [Words indistinct] solution of their problems. The economic measures are a treatment. This is why I think there is no difference between what the previous government did and what the current one is trying to do. These are onerous measures. The previous government never tried to conceal this reality from the people. We are not trying to hide it either, because to do so would be an irresponsible action. It is true that these things take courage. [Words indistinct] had been a woman perhaps they might have agreed to bear a child because they could not have waited nine months. [Words indistinct] these things require a process and faith, but we are lacking faith about what we Nicaraguans can do now that the war has ended, now that we are talking here for a solution. Everybody can express his ideas here in the presence of the public, our friends the reporters, [words indistinct] to make an impact on the public, so everyone can express his view on the problem. We are now beginning to do it. So let us not say there is nothing to discuss because we would rather [words indictinct].

In this economic process there must be measures to alleviate the situation. In September, the government will apply initial emergency measures with millions of dollars to create jobs. We will channel these activities through the country's municipalities, including Managua. I am hereby inviting the university community to investigate what short-term, interesting projects can be undertaken to create jobs in the barrios and the country's communities. This will alleviate the situation somewhat while we wait for the economic measures to take hold. Thank-you. [applause]

[Unidentified Independent Liberal Party of National Unity representative] I ask both Antonio Lacayo and Daniel Ortega if they are willing to accept this great challenge of seeking a democratic balance to avoid polarization. I want to ask them if they are willing to end extremist, dogmatic, and sectarian positions and start thinking about the people's welfare, because the sons of peasants, workers, and rich people have the same rights.

This is the essence of my question. Will we ever break the barrier of polarization? Thank you. [applause]

[Moderator] Father Miguel D'Escoto will now ask a question.

[D'Escoto] [Passage omitted] I want to ask how is it possible for Nicaragua to deny a citizen, whoever he may be, the right that every citizen all over the world has to be tried in his own country under his own laws simply because this had been requested by the United States. [passage omitted]

[Lacayo] [Passage omitted] I am not going to defend the legal actions of the government over these past four months. There may have been mistakes committed. I do not have any problem in accepting that, but I would like to emphasize this government's commitment to abide by the legal framework.

This government is not the product of an armed revolution, as was the case with the Sandinist Government. It is the product of a constitutional framework.

In this regard, I have pointed out clearly that the concerted effort is underway. If someone wants to change this constitutional framework, it would be allowed through the mechanisms of the National Assembly. Now, we also have the public opinion framework, in which each person, party, and citizen can freely express his opinions, but the great national agreement is a great mechanism for a political concerted effort [words indistinct] at the National Assembly. They are the representatives chosen by the people.

I would also like to comment on statements by Commander Ortega which are being repeated [words indistinct]. Some citizens are confused by the attitude of the government. We must clear this up. In this [words indistinct] there are no more or less political opportunities for any citizen, whether he is a Somozist, a Sandinist, a National Oppostion Union follower, a rich person, or a poor person. We would be violating the Constitution if we denied political opportunities to any Nicaraguan.

If there are some Somozists going around trying to recover their property, that is their business. The government cannot be blamed for these actions and has not adopted this type of attitude.

Decree 10-90 mentioned by Commander Daniel Ortega has already fulfilled its mission. It was published in the newspapers. Some people might still be taking away land that belongs to others. People who have been demobilized from the Nicaraguan Resistance and friends of the Farm Workers Association are guilty of doing it. It is a problem that must be resolved, but the government is not promoting the illegal occupation of those lands. There are mayors who believe [words indistinct] and we have already pointed out that they have no jurisdiction. There are people who take unfair advantage of others by showing up at a house and claiming it with a piece of paper. This is the attitude of bad citizens, not the government.

Since there is so much talk about lower-income (?neighborhoods), I want to reiterate that the transfer document [protocolo de transmision], which I signed— may I be struck down if I violate it—clearly establishes that the incoming government will guarantee the peace and security of the citizens who live in those neighborhoods, both in rural and urban areas. The government will not evict a single citizen from those lower income neighborhoods because we are not against the gains of the revolution.

My time is almost up, on another occasion I will [words indistinct] Thank you. [applause]

[Ortega] I believe we should focus our statements and comments around specific proposals. There is a consensus on the need for [word indistinct] stability, and the need for concerted efforts because sometimes we talk about [words indistinct], but we are not really representing the workers. Workers who are facing the problem directly are demanding (?concerted efforts).

Understandably, there are conflicting interests among classes, and when political positions clash, each one tries to offset the other. Here the Constitution clearly defines a system of mixed economy, therefore, we must defend that system. We cannot keep thinking that the solution to Nicaragua's economic problem lies on the word privatization, or in the term gold cordoba, but that the solution to Nicaragua's economic problem lies in the ability of all Nicaraguans to find points of agreement and respect them. That is [words indistinct].

However, regardless of what we say here, the agreements signed on 27 March by Lacayo, and in the early hours of 12 July by the National Worker's Front, Lacayo, and members of the Cabinet [as heard] are agreements that, despite the good will expressed by Lacayo here, have been violated in practice. Therefore, it is the government's responsibility to make sure that those agreements are not violated. It is also the workers' responsibility to actively and belligerently defend those agreements.

In addition, decrees 10-90, 11-90, and 190 are decrees that promote more instability because they not only affect those who have received lots or houses [word indistinct] before 25 April ...[corrects himself] 25 February, but also those who received houses [words indistinct] after 25 February, when there was a legitimate government in Nicaragua. A legitimate government was in power in this country after 25 February. The Sandinist government ruled the country until 25 February, therefore, it had the authoritity to make the decisions it deemed necessary to protect thousands of Nicaraguans who had not received land deeds for houses they had been occupying for years, for lots they had had for many years, for land they had held for a long time, or for land that the Sandinist government had already decided to give to workers organized in cooperatives.

Therefore, although we may say that we favor concerted efforts, I believe that when we say this, we must remember that there are conflicting interests among classes, and that each class will try to have its own interests prevail. However, in that daily struggle we must seek points of convergence to save national interests, the people's interests and the workers' interests. To strengthen concerted efforts, we must show that we mutually trust each other. We can do this by declaring a truce or by abolishing decrees like 11-90, 190, 10-90, which are used by emerging forces and Somozist groups who have invaded our country to justify their attempts

to deprive workers and peasants of the rights they were granted by the revolution. [applause] [passage omitted]

[Alfredo Cesar, main presidential advisor] I have a question for former President Ortega. Is he willing, along with the Sandinist Front, to engage in a concerted effort to resolve Nicaragua's economic problems? Yes or no? Thank-you. [applause]

[Moderator] The next speaker is Mr. Carlos Garcia Caracas of the Peoples Social-Christian Party.

[Garcia] [passage omitted] At this moment, I think that if the concerted effort does not involve the participation of all the sectors of the country, it will cause more tension than that which currently exists. At this moment, I think that the concerted effort is devoid of an important element, which is national reconciliation. There are still internal tensions which will be a big obstacle to establishing the bases of this concerted effort. Therefore, I want to ask the representative of the new government and of the outgoing government, where we know the power lies at this moment, are the conditions ripe for this concerted effort? Yes or no? Does the government have the decision-making capability? Do the votes which brought this government to power represent real or shared power? My third question: Is this concerted effort going to be free, as is the consensus of all Nicaraguans, or is it going to be a concerted effort needing the approval of the U.S. Embassy? Thank-you.

[Ortega] Mr. Alfredo Cesar asked about the Sandinist Front's position on the concerted effort. I have already said that after the revolutionary victory, I made several attempts to achieve such a concerted effort. In other words, we have been in favor of concerted action because we believe that the interests of the nation and the people are above individual or party interests. However, that concerted action was not possible because of the existence of the U.S. aggression and because of the behavior of many politicians who were submissive to the U.S. policy.

In the current situation, we have continued to raise the banner of concerted action. In the assembly held by the Sandinists at El Crucero, we confirmed our position of defending concerted action. The issue is not the concerted effort, but the type of concerted effort. The political and labor leaders have a responsibility to undertake concerted action. Otherwise, what is the sense in having the unions affiliated with the various confederations meet with the labor minister, who is the representative of the bourgeois and pro-imperialist government? They meet with him to undertake concerted efforts. [Word indistinct] is going to agree on labor conditions and other demands. It all depends on the organization and the strength of the workers. That strength is not just in our minds. The strength of the workers is a reality. It not just in the minds of a political leader. The workers' decisions must be respected. In other words, if some political leaders say that the workers cannot undertake concerted efforts, it would be like admitting that the Nicaraguan working class is totally weak, castrated, and unable to fight or achieve concerted action, or unable to defend the workers's interests in such a concerted action. That is the challenge. Interests confront each other in a concerted action. However, the ability of the organized workers determines whether the workers' interests will either be strengthened from a concerted action or sacrificed.

An agreement among parties is not what will decide the behavior of the working class. The political parties will not decide the concerted economic and social efforts. The workers are the ones who will sit down with the government and the producers to decide such concerted efforts. Therefore, I think we must begin by respecting the will and maturity of the workers in participating in the concerted action. As a political force, we are in favor of concerted action. I fully share the concern expressed by a political leader here. Conditions must be created for concerted action. At the same time that we are talking about a concerted efforts here, conditions must be created for such efforts, but they cannot be created by dismissing teachers and state workers, or by replacing them with strike breakers and trying to implement decrees which violate the Constitution. We cannot expect concerted efforts to develop as we would like if the necessary conditions are not created. The government leaders have a great responsibility in creating those conditions. [applause]

[Moderator] Antonio Lacayo has the floor.

[Lacayo] I will try to be brief. I know the public has many questions. Some of the speeches have suggested that the government is trying to burden the workers with all the weight, cost, and sacrifice. Why then seek a concerted effort? The government could simply create the laws. The concerted effort is aimed at finding points of convergence. The problem is primarily economic and the government has clearly said that the concerted efforts will be made between the government; the workers' sectors; and the small, medium, and large enterprises. This idea is to share the costs. The government is willing to share the costs. The government would like to do many things. What government would not want to repair schools, build university classrooms, dig wells, or build houses? What government would not want to please its people? This government, however, will need to tighten its own belt until the right economic conditions exist for sharing the costs. We believe that the business sector should also share these costs by reducing their price mark-up. The business sector should wait until the sector has recovered a bit, as I said earlier. The business sector must realize that they have a responsibility equal to that of the government-run enterprises. We are now trying to lower prices for barbed wire from 42 gold cordobas to 18. We are trying to lower sugar prices from $0.40 a pound to what it costs in the rest of Central America, but if we do this, we will bankrupt INCA [expansion unknown] and the sugar mills. That is the bad part. Production sectors must share in reducing prices. The workers, who least likely can afford the sacrifices, must also do their

part. It is important that each sector be honest, sincere, and give whatever it can. The Government, producers, and consumers should know how far each one can go and what each is willing to do. With this information on hand, a solution can then be sought. That is the true meaning of a concerted effort. We do not want the workers to bear the burden. To do so would violate the very essence of the concerted effort.

A question was asked whether conditions are right for a concerted effort. I believe so and I am not being naive. The reason conditions are right is because most of the people want the economic problem resolved. That last poll, I do believe in polls because the last one was accurate, reported that Nicaraguans claim that 80 percent of the problems are economic. In other words, everyone realizes that this is the main problem. I feel that the concerted effort will be successful because it is the one topic we all agree on.

Whether the agreements will [words indistinct] things are not always black or white. There are gray areas. Instead of saying that the agreements are being violated, it is better to ask to what degree. Is it possible to comply 100 percent with an agrement? Commander Ortega says that the transition agreement signed before 25 February by General Ortega, Commander Jaime Wheelock, and General Joaquin Cuadra regarding housing assignments is not valid because the government continued in power until 25 April. I believe the transition agreement is valid. Now the Government is different and it could create laws outside the agreement, but this would not be good. I believe that the agreements reached, including the transition agreement, must be honored. Otherwise, whatever we sign will be worthless, and the time will come when no one believes anyone else. I believe that we can all come to an agreement and make an effort to keep to it. It may not be perfect because things are not that simple. If each sector complies with say 80 or 90 percent of the agreement, we will all be better off than if we do not make a concerted effort. I believe we can do so. Thank you very much. [applause]

[Moderator] We have concluded with the round of remarks by the representatives of the political parties. However, there are still two questions pending and Mr. Lacayo has asked for additional time to answer these questions. We are going to grant him the time.

[Lacayo] The first agreement we had was to respect the allotted time, and that is why I have asked to respect the time element. I will make use of this additional time to refer to the issues of The Hague, imperialism, the U.S. Embassy, and the pro-imperialist government.

The ruling handed down by the International Court of Justice [ICJ] at The Hague, where the Nicaraguan Government went to settle the issue, said that the parties should seek a solution. Meanwhile, the government approved last March or April a law that clearly specifies that the government cannot close the case by relinquishing compensation.

We are going to comply with those two provisions. We feel this is an issue in which the Nicaraguans must make a decision. After all, that compensation is not for the government, it is for the people. The people will have to decide through its representatives at the legislative Assembly if we will continue waiting one, two, three, 10, or 20 years for payment of that compensation or if we will avail ourselves of the new winds blowing in the world in favor of greater friendship and cooperation among the peoples.

The USSR itself is asking for economic cooperation to get ahead, and we, a bankrupt nation, need that cooperation much more. We are asking for that cooperation and have asked for that cooperation throughout the world. There are several ambassadors here who are witnesses to the fact that the government has not wasted a single minute or opportunity in asking for aid for our people. We have asked everyone for help: The USSR, the Nordic countries, the European countries that used to help Nicaragua, the Eastern European countries, and the countries that were not helping Nicaragua before, such as Germany, the United States, and Japan. We have asked everyone for help.

However, it is very difficult to ask for help from the United States when, for example, there is a lawsuit pending. We must find a solution and we must do this, as the law specifies, within the framework of the legislative Assembly, and with the United States, as the ICJ ruling specifies. We are not going to seek a solution for this problem at the UN, the OAS or at the Nonaligned Movement. We are not going to seek the solution at any other organization because we have to comply with the international ruling and our national law.

I feel that the more involved we get, the more difficult it will be to emerge from this problem. This is a problem among Nicaraguans. We are the ones who have to decide what type of relationship we want to have with all countries of the world, including the United States.

However, I reject Commander Ortega's statement that this government is a pro-imperialist government. I reject this, and he well knows this is not a pro-imperialist government. [applause]

As for the case of [William] Tapia [former Nicaraguan diplomat imprisoned in Japan for alleged drug trafficking], I have to be honest and say I do not know much about that case, therefore, I cannot give you my opinion. I am not a lawyer or an expert in international law. During the first two months of this administration, I was fully devoted to the demilitarization of the Nicaraguan Resistance, and in the past two months I have been working primarily on economic problems.

The Tapia case has been handled by the Foreign Ministry. I am going to look into the matter, and I promise that in the next few days I will have an answer that can be made public. [passage omitted]

Bishops Urge Government To Solve Economic Crisis

PA3108184290 Managua BARRICADA in Spanish 30 Aug 90 p 4

[Text] Leon Bishop Msgr. Julian Barni has told BARRICADA that the Nicaraguan Episcopal Conference yesterday urged the government to seek a solution to the country's grave economic crisis that most affects the "poorest people due to devaluations and unemployment."

The bishops explained to President Violeta Barrios and Presidency Minister Antonio Lacayo the people's dramatic situation caused by a constant drop in their purchasing power and the hunger peasants in Nicaragua's north and west are experiencing because of the drought affecting those regions.

Cardinal Miguel Obando y Bravo and Apostolic Nuncio Paolo Giglio also participated in the closed-door meeting at the Presidency.

At the end of the meeting, Msgr. Giglio said that the clergymen's explanations were clear and stressed that they want a better life for the poor.

For his part, Presidency Minister Lacayo did not mention the bishops' statements and concerns regarding the difficult situation Nicaraguans are going through as a result of constant devaluations, unemployment, and the drought.

Lacayo said that the former contras could occupy two large 14,000-hectare farms as of yesterday to begin sowing crops, which was another concern voiced by the bishops.

The Presidency minister added that the International Commission of Support and Verification will distribute seeds and farming tools, purchased with funds supplied by the U.S. Government, to the former contras so that they can till the land.

Obando y Bravo disclosed that President Chamorro has announced that, in September, the government will invest $10 million to build social projects to fight unemployment.

Panama

Arias Calderon Reportedly Threatens To Resign

PA0509172490 Panama City EL DIARIO INDEPENDIENTE in Spanish 5 Sep 90 p 22

[Excerpt] The first Cabinet crisis of Panamanian President Guillermo Endara's government may have taken place yesterday, 4 September, when during a stormy meeting with Christian Democratic Party [PDC] legislators and leaders, Government and Justice Minister Ricardo Arias Calderon threatened to resign from his government post.

During the meeting, which lasted until 0300, the participants discussed issues linked to the PDC Legislative Assembly defeat and to First Vice President Arias Calderon's uncomfortable and awkward situation within the Cabinet. The meeting was held at Arias Calderon's house in San Francisco. One of his curious neighbors, who was observing the concentration of station wagons and cars owned by PDC leaders, even heard one of Arias' escorts telling one of his colleagues over the walkie-talkie: "Hey! The chief is definitely going to the opposition... over."

A few weeks ago, Arias Calderon was the subject of harsh criticism by some media for his apparent tolerance of the previous regime's military men who were working directly in his office. For example, Deputy Police Chief Aristides Valdonedo, who had Arias' protection, was practically forced to resign as a result of heavy political pressure. Clarence Green, former G-2 chief and Arias' bodyguard, was also accused of committing abuses as a henchman of the dictatorship.

Informers, who asked not to be identified, told EL DIARIO that the government and justice minister's decision to leave the executive branch continues to be firm and that his copartisans only succeeded in convincing him of postponing his drastic political decision until late this week.

Although prominent PDC leaders such as Raul Ossa and Carlos Arellano Lennox have denied all possibilities of abandoning the sweet pastures of the government bureaucracy, Arias Calderon's harsh statements resulting from the evident government maneuver to neutralize the PDC legislative machinery through Molirena [Nationalist Liberal Republican Movement], the Arnulfist Party, and the Authentic Liberal Party, which continue supporting President Endara, place him on the threshhold of honorably withdrawing from personal participation in the Cabinet.

"A man is known by the company he keeps" is one of the remarks made by Arias Calderon when he was asked to give his opinion on the alleged legislative agreement between the PRD [Democratic Revolutionary Party] legislators and the legislators of the pro-Endara faction.

Impartial observers have serious doubts about whether Endara's government is ready to let the followers of the dismantled PRD enter his administration in the event of a massive resignation by all the PDC members who occupy high and important government positions.

The National Police director, Major Fernando Quezada, was removed from his post last night as a result of what seems to be the worsening of the political crisis that is affecting the nation. This is the second jolt in high-ranking police spheres since Colonel Eduardo Herrera, who was considered one of President Endara's trusted men, was removed from his post less than 10 days ago. [passage omitted]

Reportage Covers Dismissal of Fernando Quezada

Quezada's Letter Published

PA0509221290 Panama City LA PRENSA in Spanish 5 Sep 90 p 1

[Letter by dismissed National Police Director Fernando Quezada M. to LA PRENSA Director Roberto Eisenmann, Jr.; date not given]

[Text] Mr. Roberto Eisenmann, Jr., president and director of the newspaper LA PRENSA

Mr. Director: I wish to refer to the irresponsible and dishonest manner in which the newspaper that you direct published a report related to me in its edition on Tuesday, 4 September.

On reading it, I recalled the dark times of Noriega, when he met with officers to tell them that you, Roberto Eisenmann, had committed incest. Noriega said that he had firsthand proof of this because your own brother, David Eisenmann, had confided it to him.

That abominable crime earned you the repudiation of the Jewish community and of your relatives. The Bible, in Genesis, Chapter 19, Verses 31 to 38, condemns incest when it narrates the relationship of Lot with his eldest daughter.

This reference to Noriega that I make must be included in one of the 15,000 boxes that were removed from the archives of the G-2, and which are today in the hands of Magistrate Eusebio Marchosky of the Directorate for the Recovery of State Property.

Personally, I regret that you have to do so much "lobbying" to prevent what is in those boxes of documents from being aired publicly.

In spite of what Noriega said about you, I never repeated or commented on it, out of respect for myself, as a man, knowing the harm this could cause you.

I abhorred Noriega for giving such reports, just as I abhor those who, like you, do not stop to consider respect for human dignity in their effort to do harm to others.

The report by the newspaper LA PRENSA is based on a document whose authenticity is not demonstrated, and it is far from reflecting decent, honest journalism committed to the truth.

To say that Joe Blow said that someone told him that somebody else heard someone comment, etc., etc., is not the correct way to practice journalism. It would seem as if the same shady tactics used by Noriega to discredit his political opponents are the ones being used by you now, sheltered by democracy, to spew the venom that corrodes your soul and earns you the deepest disdain and repudiation.

As a Panamanian who loves democracy, I warn you that I will not permit persons such as you to play with the honor of men. I will always be ready to face with courage and determination your low and heinous attacks.

Fernando Quezada M.

Newspaper Director Comments

PA0509230590 Panama City Circuito RPC Television in Spanish 1730 GMT 5 Sep 90

[Text] Roberto Eisenmann, director of LA PRENSA newspaper, said today that the appointment of a civilian as Public Force [FP] chief has been the best decision made by the government.

The Special Commission for Consultation on the FP met this morning with guests Elsa Mendez de Garcia, director of the Juvenile Court, and Roberto Eisenmann, director of LA PRENSA newspaper. The issue of the FP today sparked more interest in the wake of the dismissal of Lieutenant Colonel Fernando Quezada as FP director.

The government announced the dismissal of Fernando Quezada a few hours afters he circulated a letter in which he made serious accusations against the director and main owner of LA PRENSA newspaper.

For Camilo Brenes, president of the Special Commission for Consultation on the FP, a new change at the head of the FP in eight months is worrying.

[Begin Brenes recording] It is very unfortunate that these events occured as a result of a reaction. The reaction of Lt. Col. Quezada to the report that appeared in the LA PRENSA newspaper has frankly justified the government's lack of confidence in Quezada's capacity to react with maturity and poise before difficult situations. This is very dangerous when it comes to running the FP, which we want to distance from this kind of procedure. We want to control this kind of reaction. [end recording]

Roberto Eisenmann, to whom Quezada addressed his letter, stated that he supports the appointment of Ebrahim Asvat as new FP director, but Eisenmann expressed dissatisfaction when he learned that Quezada still remained in the FP.

[Begin recording] [Eisenmann] I think it is important to appoint a civilian for the first time in decades to preside over the FP. I know Mr. Asvat very little, but I am confident he knows what a civilian police should be like.

[Reporter] However, he is not a soldier.

[Eisenmann] One does not need to be a soldier. Quite the contrary, one needs to be a civilian to undersand how a civilian police force should operate.

[Reporter] Mr. Eisenmann, do you believe that there is currently a crisis in the Cabinet of the Endara government? Do you think it is necessary to make changes to the Cabinet?

[Eisenmann] I have no comment on that. They have said there is no crisis. I think that if they say so, we have to believe them. They are the ones who run the government.

This is obviously an ugly display of party politics that the whole country rejects. Panama has needs that are more important than the games of party politics that we are observing. [end recording]

Acting Chief on Reorganization

PA0509184390 Panama City Circuito RPC Radio in Spanish 1712 GMT 5 Sep 90

[Report by Carlos Rousman from the National Police headquarters in Ancon]

[Text] Yesterday, 4 September, Lieutenant Colonel Fernando Quezada was separated from his post as acting Public Force director. According to the presidential decision, Lt. Col. Quezada continues working in the Public Force, although without any specific functions.

This radio station has obtained statements by acting National Police Director Ebrahim Asvat, who said that from this very moment, he has started to hold meetings with the national security directorate [as heard] [directorio nacional de seguridad] members in order to establish the new police security guidelines that will apply to the Public Force.

Asvat stressed the need to give the National Police members as much professional training as possible. Following are Mr. Asvat's statements:

[Begin recording] [Asvat] I just concluded my first meeting with the national security directorate members. The meeting was attended by Government and Justice Minister Ricardo Arias Calderon. Minister Arias announced the change made in the National Police leadership. I have been appointed as the acting National Police director.

The National Police continues operating professionally, as we have been doing until now. This is only a change in the leadership of the National Police. We will continue conducting the established programs. As you have realized, we have transferred a great deal of administrative personnel to police work in the streets.

San Miguelito district, which is in need of increased police service, now has approximately 200 additional policemen. Colon Province now has approximately 100 additional policemen. We are increasing the number of policemen who patrol the various Panama City neighborhoods on foot. In addition, the metropolitan area has been divided into areas patrolled by cars as well. The programs continue to be carried out, and the supervision of these new police patrol programs continues in absolute normalcy. [end recording]

Asvat added that changes in the organizational chart of the National Police will be made in a few days. Asvat did not rule out the possible withdrawal of some high-ranking officers as a result of the type of reorganization that will be conducted within the Public Force.

Vice President Calderon Comments

PA0509194190 Panama City Circuito RPC Television in Spanish 1739 GMT 5 Sep 90

[Text] Dr. Ricardo Arias Calderon, first vice president and minister of government and justice, has emphasized that the dismissal of Lieutenant Colonel Fernando Quezada as police chief was a severe but just measure.

[Begin recording] [Arias Calderon] Lt. Col. Quezada has made public a letter using terms that are absolutely unacceptable for an official with his responsibilities. Given that fact, I recommended to the president of the Republic—and he accepted the recommendation—that Quezada be dismissed from his post, and that Dr. Ebrahim Asvat—institutional director of Public Security of the Government and Justice Ministry—be entrusted with the responsibility of being the director general while a suitable person is found to fill the position.

[Reporter] Will the future director be a civilian?

[Arias Calderon] It will be the best person we can find.

[Reporter] What did Quezada say?

[Arias Calderon] He clearly and frankly accepted the decision of the president and of the government and justice minister.

[Reporter] Some observers have noted that the Christian Democratic Party is strengthened by this measure.

[Arias Calderon] Those who confuse the creation of an institution with party interests only disclose their own mentality. [end recording]

Meanwhile, Ebrahim Asvat, the new director of the National Police, this morning gave statements to the press concerning his plans as new chief of that institution.

[Begin recording] [Asvat] We have transferred a large group of administrative personnel to police duties. The San Miguelito area, which is one of the areas that needs more policemen, now has approximately 200 additional people. Approximately 100 more people have been sent to Colon. We are increasing street surveillance with beat police. The metropolitan area has been divided into sections that are being patrolled in vehicles. Therefore, the programs continue, and there is absolute normalcy in the supervision of these new police patrols.

[Reporter] You are the fourth director of the Public Force in the last eight months. Have you observed any unrest, any discontent, anything that might lead one to think of a coup?

[Asvat] There are no problems to that effect. This is a situation that is exclusively the result of a transition within a body that is changing from a military institution

into a police institution. As long as the institutional direction is directed toward that purpose, which is what the Panamanian people want, there are no problems of that type.

[Reporter] Will there be any more changes within the organization?

[Asvat] In one week I will present to the minister of government and justice and the president of the Republic a new structural organization for the national directorate.

[Reporter] Will there be colonels in that directorate?

[Asvat] There is going to be a reorganization, and in due time you will learn of the changes.

[Reporter] Do you really think there can be a change from the military to the police?

[Asvat] Of course, it is perfectly feasible.

[Reporter] What is the current status of Col. Fernando Quezada?

[Asvat] Col. Fernando Quezada has been dismissed from the post of acting director of the National Police, and in due time I will decide what will be his job in the institution.

[Reporter] Is he under arrest?

[Asvat] He is not under arrest.

[Reporter] Is it true that he will stay in the institution?

[Asvat] He was dismissed from the post of acting director of the National Police, but he continues to be a member of the institution. [end recording]

Column Criticizes U.S. Ambassador's Remarks

PA0509205790 Panama City EL SIGLO in Spanish 5 Sep 90 p 4

["Period and That's It" column by Jaime Ortega: "Unfortunate Words"]

[Text] Following the painful curtain raiser presented by the Legislative Assembly, in the presence of diplomats and ranking officials of the government of occupation, reporters, not trying to rub anyone the wrong way, interviewed Deane Hinton, U.S. proconsul, and this is what happened: He was asked for his opinion on the Endara speech, which he described as "very strong, very clear, and very optimistic." (How nice, right?) Immediately after, asked about "Panama's attempt" to obtain "compensation [from the United States,]" as LA PRENSA textually reported, he said he "had to study that," and unhesitatingly added: "It is not the moment to discuss if the United States is going to indemnify Panama." Perhaps he was thinking he was the ambassador in El Salvador, with 5 million indians [as published] engaged in a fratricidal war. Nobody knows why the U.S. diplomat responded cuttingly to the reporters present: "I also have a question. What value does the Panamanian democratic government attach to the liberty obtained? That was the high point of the U.S. proconsul in Panama. For being servile, the Panamanians earn this type of disrespect on the part of the gringos. Without even having new clothes made, big Don Guillermo, El Bueno, [references to President Endara] scarcely one month after getting a taste of the presidency, packed his luggage and showed up in Washington, responding to an invitation by Bush, who he offered gold, incense, and myrrh, declaring him the "liberator of Panama." Begging the apology of my readers, all the praise that he lavished on Bush and the U.S. people left Simon Bolivar looking like an idiot. The worst part of all this is the enormous publicity that this government, especially the president, made of the wretched assistance that our liberators were supposedly going to give us. According to polls, 70 percent of the Panamanian people think that this country cannot achieve its economic recovery if the assistance promised by our bosses of the north does not arrive. Frankly, I do not know what we are today—whether a country occupied by the Yankee hordes, a colony, or simply slaves who will be given meager crumbs every time they place us at death's door. I ask, and the proconsul answered, like Richi [not further identified] answered yesterday in our radio program. "Who will repay the Panamanian people for the 21 years of disgrace, death, humiliation, hunger, pain, and suffering during the tyranny—nurtured and sponsored by the most cruel concubinage ever recorded in the diplomatic relations of this country and the puppet tyrants they imposed on us. Not satisfied at keeping them in power for 21 years, in 1988 they placed an embargo on the Panamanian people, with the sole purpose of destroying the Panamanian banking center. In reality, if the people do not know it, 60 percent of the drugs that enter the United States cross that country's vast borders through Mexico. Yes, if it is true here as in the United States, the Bahamas, Switzerland, Luxembourg, and Gran Cayman, the banks are dedicated to the dirty business of laundering drug money. Wanting to put an end to our solid banking center—not to mention that a large amount of drugs pass through here to the most profitable market of the drug traffickers, which is the United States—they decided to invade us to remove the thorn of Noriega, who had betrayed them, and to destroy the prosperous banking center. Let us call things by their proper name. PERIOD...AND THAT'S IT.

Governments of Coups Will Not Be Recognized

PA0509172990 Panama City LA PRENSA in Spanish 5 Sep 90 p 22A

[Text] Through Decree No. 364 signed by Panamanian President Guillermo Endara and Foreign Minister Julio E. Linares, President Endara has announced that "the Panamanian Government will not recognize any government resulting from a military coup carried out against a legitimately elected government."

The decree adds that "consequently, the Panamanian Government will withdraw its diplomatic representatives from the countries where coups have occurred and will ask the diplomatic representatives from the corresponding country to leave Panama within a short period of time."

The document says: "The same treatment will be given to governments resulting from election fraud or to countries where previously scheduled elections regulated by state laws, which are being affected by the aforementioned illegal actions, are prevented."

The decree stresses that the Panamanian Government has decided to establish rules about this matter because "the Panamanian Government was legitimately elected in free elections and because of the Panamanian people's and their government authorities' compulsory compliance with the honest results of those elections."

The document adds that Panama is a member of the OAS, which promotes and views democracy by not recognizing governments resulting from coups d'etat or election frauds.

Decree 134 [number as published], effective since 4 September 1990, is homage to former Venezuelan president Romulo Betancourt, founder of the doctrine named after him.

The Betancourt Doctrine includes the right of the executive branch to lead its foreign policy; this right is granted by the Constitution and shows the executive branch's willingness to strengthen democracy by not recognizing governments resulting from coups d'etat or election fraud.

Linares Cites Concerns Over Legal Agreement

PA0209225090 Panama City LA PRENSA in Spanish 1 Sep 90 p 2A

[Report by Zoila Rodriguez Jovane]

[Text] Referring to the signing of an agreement suggested by the United States, Panamanian Foreign Minister Julio Linares has warned that the most serious drawback of the Treaty of Legal Assistance to repress international crime is that we would have to allow the enforcement of international laws in Panamanian territory.

Linares explained that the main objective of the Treaty of Mutual Legal Assistance is to repress crimes linked to international drug trafficking, and to use the various countries' authorities to contribute to the repression of these crimes, "which would benefit everybody."

However, he indicated that the United States has presented a series of notes to the Panamanian Foreign Ministry that go outside the scope of the laws and affect what the Panamanian Constitution establishes concerning crimes.

Linares said: "What is considered a crime in the country that is requesting the legal cooperation is not necessarily a crime in the country that is going to provide that cooperation. In the case of the United States, for example, tax evasion is a serious crime, but it is not so serious in Panama, as our Fisca' Code establishes."

The Panamanian foreign minister added that investigations could reach bank accounts in Panama and the reason for and objective of the accounts' operations, an action that the commercial banks and legal banking representation offices "justifiably oppose" because they could affect our country's financial center, which is considered the backbone of the country's economy.

Linares said that it is possible to negotiate a treaty covering most of the goals of the signatory countries, but without jeopardizing our contry's future economic development.

He added that the treaty is being discussed by a recently appointed commission consisting of Foreign Ministry officials. The commission is studying the details of the agreement and will send a draft agreement to the Cabinet before it is presented to the Legislative Assembly.

Linares said that although the treaty, as it stands now, could boomerang for the Panamanian financial center, it could have very good results if it is adjusted to the need to expand the scope of the law regarding international crime.

The Panamanian official referred to the need to apply the law to the drug trafficking that begins in South America and travels through the Central American and the Caribbean region to end up in the United States and Europe.

Stating that the current drug problem goes beyond the countries' borders and affects other nations, Linares asserted: "In order to repress drug trafficking efficiently, it is necessary to establish cooperation among the various countries involved, and the same could be done in murder and robbery cases."

Talk Show Interviews Vice President Calderon

PA0209143990 Panama City Radio KW Continente in Spanish 1200 GMT 30 Aug 90

[Telephone interview with First Vice President Ricardo Arias Calderon by Journalist Mayin Correa on "The Word" talk show in Panama City—live]

[Excerpt] [Passage omitted] [Correa] Dr. Arias Calderon, referring to democracy, Mr. Agustin Arias, one of the Civic Crusade's directors, says that in reality Panama does not have a democratic government or a democracy. On the contrary, he says the government is the only sector that has disproportionate influence over Panamanian society, while there are other sectors that are not fully participating. Agustin Arias also says that the government has far-reaching influence over all elements of society and that every day the government's role in

Panamanian society increases. This means that nothing has happened in nine months—that this large, paternalistic, and influential government has not made any effort whatsoever to release the hold it has on Panamanian society or to distribute its influence among other sectors.

[Arias Calderon] I understand the point of view that Mr. Agustin Arias is attempting to put forth. Democratization is not only a matter of democratizing the government through democratic institutions, as we have already done. It is necessary for society as a whole to participate in this democratization. I made a similar statement when I said that there must be a change of attitude among the leaders and those governed as members of society, and that changes of attitude are always slower in coming than institutional changes.

However, I do not agree with the idea that nothing has changed. Consider one thing, Mayin, and I believe that all Panamanians can attest to it—in the past the government controlled all the media. There was not a single dissident voice, and if there was, that person was persecuted and exiled. Now there is complete freedom of expression, and you need not but read the newspapers, listen to the radio stations, or look at television to see that the media are beyond government control and that they create public opinion on their own.

There is one very important point that should be made and that is that the government, especially the Government and Justice Ministry, has stopped being the media police, which watched, repressed, and controlled the media. On the contrary, the Government and Justice Ministry respects freedom of expression, a social right. This is a very important point. Meanwhile, there are many social groups that have been willing and able—because their rights have been respected—to demonstrate their dissatisfaction, even staging demonstrations. Yesterday, for example, hundreds of professors staged a demonstration. Since their demonstration was legal and peaceful, there was no problem. They notified the mayor's office of how the demonstration would be carried out, they staged it, and it was carried out in the manner in which demonstrations should be carried out in a democracy. In a democracy, if people want to demonstrate, they must notify [the mayor's office] and they must refrain from vandalism, from destructive acts, and from disrespecting other people's rights. Panama has reached this stage. Many people have understood that they can demonstrate and express their points of view through the media and even in democratic-style demonstrations.

Nevertheless, there are a few groups that are not aware or do not want to be aware that in a democracy, one must protest in a different manner from how one protests in a dictatorship. These groups want to continue using violence, availing themselves of the resources typical of a struggle against a dictatorship. I believe that what Mr. Agustin Arias says is partly true. It is not enough to democratize the government through democratic institutions. It is also important to democratize society. However, I believe that our society has undergone gradual democratization, concurrent with the government's democratization.

[Correa] Dr. Arias, you have virtually stated a government plan that is to be carried out, and you have discussed a series of initiatives, among them a proposal to modify the Constitution or write a new one. Is it that the ADOC [Civic Democratic Opposition Alliance] government did not have a previous government plan? This is what the people are charging you with. It would seem as if the government was caught off guard when it rose to power because it had no well-coordinated overall plan that included all sectors. I see now that you are correcting this problem and that you have virtually presented a government plan, including constitutional reform. Is this as I perceive it or am I mistaken?

[Arias Calderon] I have written a lengthy article, requested by EL PANAMA AMERICA, under the heading: Government for Transition. In this article I share my views on what the participants in President Endara's government are doing and what we should do. This is my contribution to the effort that we are all making to coordinate the government and to carry out a government effort. For example, the proposal for constitutional change is not a personal proposal put forth by me. It was proposed by President Endara's government, and the president took it upon himself to announce the proposal in his first speech to the Legislative Assembly. What I am doing is reminding [the people] that we have not accomplished this task and that we must do so because it constitutes a political dimension of the democratization process.

However, I would like to discuss another of democratization's dimensions, Mayin.

[Correa] With pleasure.

[Arias Calderon] It is the area of public security. One of the tragedies or—who knows—one of the realities of many Latin American countries is that once they become politically democratized, they leave their military structures intact. They keep in place the same military structures that existed under their dictatorships. There are two very peculiar cases, Chile and Nicaragua, where democratization began, and those who were military chiefs under their dictatorships have remained in their positions. In one case Pinochet, and in the other, Ortega.

Because of the circumstances of Panama's democratization, we were able to do things differently. Our public security was democratized concurrently with our political democratization. This means two things. First, public security in dictatorships is monolithic, which means that one sector, one institution, controls public security in its entirety. Morevoer, in a dictatorship, public security is military and militarist, because the organizations that control public security under dictatorships are, almost always—and this was the case in Panama—armies.

We have done two things concurrently to democratize public security. First, we decided to dismantle the Army. We have changed all of the Army's organizations, battalions, companies, and even its bank. All of its military training centers have been closed, and in their place we are creating a national police force. However, this is not the only area of public security where changes are being made. We are also trying to establish pluralist public security. What does this mean? That public security will depend on many organizations, and not all of them will be state organizations.

For example, public security will not depend only on the national police, the aerial service, and maritime service. It will depend also on a variety of independent organizations and on the Technical Judicial Police [PTJ], which, by and large, will end up under the control of the Attorney General's Office and not under the control of the Executive Branch. Public security will also depend on a new, completely civilian, national penitentiary system under civilian, not military, control, as it was before. Public security will also depend on a national civil protection system that, for the first time in our history, is in the process of development and is trying to help communities organize to prevent crime. Public security will no longer depend only on state organizations, but on private security agencies. I believe that private security agencies have an important role to play, but I also believe that the Government and Justice Ministry should be given the legal authority to regulate and supervise these agencies.

Amid democracy we are attempting to organize a public security policy that will be police-oriented and pluralist. We have already begun working on this, and we have reached the middle of the road and must continue working on it.

[Correa] Dr. Arias Calderon, I have seen two polls. The Panamanian people really do not have any confidence in the Public Force, let alone the PTJ. They have no confidence whatsoever in the PTJ. It seems as if, in addition to the need to remake certain laws, it is necessary to establish to which organization the PTJ should belong. For the past nine months, the PTJ has been under your guidance and responsibility. Why have there not been any serious structural changes within the PTJ as has happened, for example, within the Public Force?

[Arias Calderon] I believe Mayin, that changes have been made, but the task has not been completed. The biggest change will be to remove the PTJ from the military control of the past and place it under much more direct civilian control. The second change has been taking place gradually and must be completed with a law. With increasing frequency, the PTJ's functions are dictated by requirements, demands, and instructions established by the Attorney General's Office, although administratively it is still linked to the Government and Justice Ministry.

Meanwhile, there have been a considerable number of personnel changes and there are more to come. Of approximately 650 PTJ employees under its former name [National Department of Investigation], approximately 200, or almost 200, have been dismissed or retired. This figure constitutes almost 40 percent of PTJ employees.

Changes in all human realities, and especially in the most difficult human realities, are not made suddenly from white to black or from black to white at a single stroke. Not even day begins suddenly; it gradually leaves night behind and day emerges.

There is one point that seems important to me. It seems increasingly true to me, Mayin, that to the extent that the people understand the changes that are being made and feel them, they will gain confidence in them. On 29 August, I gave the Assembly commission that is discussing the new Public Force a poll carried out by a Venezuelan firm that for over 26 years has been conducting polls throughout Latin America. It conducted polls in Panama before the 1989 elections and had the benefit of being one of the two firms that correctly forecast that Violeta Chamorro would win in the Nicaraguan elections.

Between 14 and 24 June this firm polled Panamanians about their attitude regarding various matters, one of which was the new Public Force. It found, for instance, that an important change of attitude toward the Public Force is beginning to take shape. A total of 49 percent of Panamanians feel that the Public Force is better than the defunct Panama Defense Forces [FDP]. Furthermore, and even more important, is that 71 percent of Panamanians feel that the treatment they receive from the Public Force is better than what they received from the FDP.

I would like the people to ask themselves honestly and intimately if they feel today the same fear they felt before. I do not think that they do. Even though there have been some instances of behavior that we ourselves have said must be corrected, generally speaking, the treatment the people are receiving is characterized more by respect than by arrogance and more by a desire to serve than by one to dominate.

I repeat: Like all changes, this one will not take place overnight. However, it is taking place. The poll taken by this firm included 1,200 people representing a cross section of the country. The firm is one of the most reputable firms in Latin America, with experience in all of Central America, South America, the Caribbean, and even here in Panama, and its poll tells us that the people are beginning to feel this change. Proof of it is that when the people were asked if the members of the Public Force should be allowed to vote, 70 percent responded yes, because they are beginning to see, feel, and perceive that they are citizens who are in some way like the rest.

Not everything is perfect, Mayin, and I know full well that these changes must continue. What I meant to say in the big article—which you described as a government program, but which is just an overview—is that the changes we have begun making cannot stop halfway,

hence the importance of the president's decision to accept the request for retirement of someone who has rendered services at a given moment and to take new steps to continue institutional changes in the area of public security.

[Correa] Dr. Arias Calderon, you have traveled to Europe and met with the presidents or ministers of various countries, most probably to foster the establishment of the support group for us to receive the economic assistance we need to meet Panama's hefty public debt. What has resulted from this? Did this effort stop right there? Was this group not formed? Will we receive the economic support required according to the economic plan that was drawn up at the international level?

[Arias Calderon] No. Action is being taken—though somewhat slowly, unfortunately—by the countries we have asked to join this support group. An informal meeting has already been held by the members of the support group—particularly the United States, Japan, the five European nations that have embassies in Panama, and international financial organizations. An informal meeting has already been held in Washington, and I am under the impression that a second meeting is going to be held in September.

However, I can give you a scoop, Mayin. I was able to talk with West German Chancellor Helmut Kohl, who is probably the European with the greatest political and economic importance today because of what his country represents now that it is on the way to reunification. I was able to talk with him in Budapest, Hungary and deliver to him a request for support—that is, to join the support group. I can report to you that a few days ago I received a personal letter from Chancellor Kohl through the German diplomatic mission in Panama. Although he has not yet made a formal commitment to join the support group, the overall tone of his letter is very positive and indicates that his country and other European countries are giving favorable consideration to our request.

I believe that the wheels have begun to turn. I repeat: I would have wanted and hoped, for the sake of our people and government, that this matter could have proceeded more rapidly. However, these are the realities of the international world. We have to continue working until we succeed in getting the support group created. I will tell you why this is important: If, with international support group, we manage to pay the part of the public debt that we owe to the international financial organizations, those organizations will, in turn, send a positive signal to the governments and private international banks, and they can again begin financing infrastructure projects in Panama—IRHE [Institute of Hydraulic Resources and Electrification], highway, school, and health projects.

Therefore, the creation of this support group is important because it will be the key to opening for us the door to the international financial world. Panama needs the support of the international financial world. [passage omitted]

Vice President Ford Reveals Financial Plan

PA0509041290 Panama City LA ESTRELLA DE PANAMA in Spanish 4 Sep 90 pp 1, a-2

[Report By Emilio Sinclair]

[Text] In announcing a financial plan to create and develop new jobs to improve the social status of neglected individuals, Guillermo Ford Boyd, second vice president and planning and economic policy minister, said yesterday that "we can make no excuses for not bringing economic growth to Panama."

The financial plan is based on $107.9 million in economic aid donated by the U.S. Government that will be channeled through banks operating under general licenses in the Republic of Panama.

The $107.9 million will be kept in the vaults of the National Bank of Panama and will be available to all banks operating under general licenses. This money will be used to grant all kinds of loans for up to five-year terms.

Vice President Ford met yesterday with the main executives of banks operating in the country at the National Banking Association headquarters where he announced that this plan will go into effect in January. He pointed out that this $107.9 million is "seed money" and expressed hope that other nations or international organizations—who are friends with Panama—will grant other donations to help the country reach the $200 million mark that could create 25,000 jobs in five years.

Ford voiced satisfaction with the bankers' behavior during the country's most difficult times that prevented an "insecurity trauma."

Luis H. Moreno, Jr., general manager of the National Bank of Panama, and Ernesto Boyd, executive director of the National Banking Commission, explained the details of the financial plan to the bankers.

Vice President Ford said that there is a sense of urgency in this plan because, "the downtrodden want no more speeches and do not want to hear about the millions of dollars via the press or television."

This plan will be implemented by each bank through the process that they call "one to one." That is, if a client requests a $500 loan for a project, that bank will put down $250 of its own, and the financial plan's fund would contribute the other $250.

National Bank General Manager Luis H. Moreno said that the plan "is not complex, but involves much responsbility."

The Panamanian banking system, which could not be buried by a very severe financial crisis that strangled the

country, has 66 banks with general license, including the National Bank of Panama; the Savings Bank; 28 banks with international licenses; 16 banks with representation licenses; and one financial development bank, the National Mortgage Bank.

The Panamanian banking system offers the following advantages: "nonrestrictive banking regulations; free circulation of foreign currency; free use of the U.S. dollar; a favorable taxation system; banking secrecy; a good international communications system; a well-trained work force; a set of stable economic, political, and social norms; and a high degree of technological modernization."

According to the Panamanian Banking Association, which is headed by Edgardo Lasso Valdes, "among the incentives offered by this banking center is a very flexible fiscal legislation based on the principle of extraterritoriality. It eliminates all fiscal burdens and controls over operations carried out abroad (offshore) by the banking sector, in commercial transactions, and by anonymous associations not operating within the Republic of Panama."

Endara on Assembly President, Gas Prices

PA0109140790 Panama City Telemetro Television in Spanish 2300 GMT 31 Aug 90

[Text] The Executive Branch has said that an increase in the price of gasoline is imminent, but it still does not know the amount of the increase, because this will depend on international gasoline prices.

President Guillermo Endara Galimany has said that he will not meddle in the Legislative Assembly's decision to elect its new president. Endara added that he was not elected president to enjoy popularity, but to serve national interests.

[Begin recording] [Endara] Legislative Assembly presidents used to be elected on A Avenue [location of Panama Defense Forces headquarters]. The order came from there. They [the military] ordered that John Doe would be president and pity those who did not vote for John Doe.

As president of the Republic, I will never suggest that the Legislative Assembly elect so and so for the post of Legislative Assembly president. This problem should be resolved by the legislators, and it is logical that, in a flourishing democratic system, such difficult situations arise. This should not adversely affect the image of our legislators, who are implementing a new system. I ask you to give them the opportunity to demonstrate that this system can operate normally. This is only the second election of the Legislative Assembly Board of Directors. It is logical that an impasse may take place, and I hope it is resolved. However, I am not going to meddle to resolve the impasse.

[Reporter] Mr. President, what is your opinion of the gasoline price situation?

[Endara] This situation is very serious because international oil prices are going up, so the price of gasoline has to go up. The price of gasoline has to go up simply because international oil prices are going up.

The Panamanian people will suffer because of this increase, and I am going to tell you one thing, the government is going to suffer as well, because the IRHE [Institute of Hydraulic Resources and Electrification] and government vehicles consume a lot of gasoline.

[Reporter] What will be the gasoline price increase?

[Endara] We do not know yet what the increase in international oil prices will be. This will ultimately determine the new price of gasoline. [end recording]

When asked about the popularity of his government, President Endara said.

[Begin Endara recording] As president I have to fulfill my obligations to the Panamanian people. I am not participating in a popularity contest. With their massive support in the 7 May 1989 elections, the people asked me to lead this country to reconstruction. I am leading the country along this hard and difficult road.

You should remember that I had said on 1 March [opening day of Legislative Assembly sessions] that the situation was very difficult. It was so difficult that I did not see the light at the end of the tunnel. At that time, to show the people that I wanted to share their pain, I left the Presidential Palace to go to the Metropolitan Cathedral, where I declared a hunger strike that lasted 13 days or so.

Then, I felt very optimistic [words indistinct]. Now, I feel really optimistic. Now I see the light at the end of the tunnel. We are going to implement a series of measures in the near future. [end recording]

Argentina

Alsogaray Denies Rumors of Break With Menem

PY0509150490 Buenos Aires TELAM in Spanish 1314 GMT 5 Sep 90

[Excerpts] Buenos Aires, 5 Sep (TELAM)—Presidential foreign debt adviser Alvaro Alsogaray today denied that he would "remove" himself from the side of President Carlos Menem. This action had been predicted in rumors that have been circulating over the past few hours, rumors Alsogaray labeled as the "fantasy and frivolity" of the media.

"As long as Carlos Menem's ideas are the same as those he is currently implementing, I will remain close to him, because those ideas have emerged as solutions for the country," Alsogaray emphasized. [passage omitted]

"There will be no such removal because there is agreement on the basic ideas," Alsogaray said. He was denying a report published in a morning newspaper specializing in economic matters that indicated that Alsogaray would leave Menem and his government program.

Highlights of New Economic Measures Reported

PY0509144490 Buenos Aires TELAM in Spanish 1132 GMT 5 Sep 90

[Text] Buenos Aires, 5 Sep (TELAM)—The following are the main points of the omnibus decree released by the Economy Ministry:

A Public Expenditure Rationalization Committee [comite de racionalizacion del gasto publico] has been created, and it includes the Economy Ministry (which will preside over the committee); the General, Legal, and Technical Secretariats of the Presidency; the Economic and Finance Undersecretariats of the Economy Ministry; public enterprises; and the Administrative Coordination office. The committee will be charged with studying, evaluating, and drafting measures to reduce public expenditures and to promote the implementation of rationalization.

Corrections have been made to Decree 435 to make transactions for contracts, bids, and purchases by state enterprises more rigid.

Centralized and decentralized organizations that give free services to the private sector must cease such activities, and rates must be reformulated within 30 days.

The three levels of the educational sector will not be affected by this directive, but university-provided consulting services for private corporations must now be paid for and the rates that the INTA [National Institute of Agricultural-Livestock Technology] charges for its services must be increased.

The resources of special accounts (Merchant Marine, Tobacco, Tourism Funds, etc.) can only be used with the authorization of the Finance Undersecretariat.

The resources of the Family Subsidies and Social Security Organization must be deposited in the Bank of the Nation.

All state enterprises and societies and official banks will have to denationalize their legal services departments by 31 December.

The situation of state property and requests for rentals, free renting [comodato], or any other juridical status will have to be regularized within 60 days.

The proceeds from the sale of movable and immovable assets that are not dispensable will be deposited to the General Income Department of the Treasury.

There will be a 15-percent decrease in contracted personnel before 1 October. As of 31 December all nonpermanent personnel, which covers approximately 80,000 agents, will not have their jobs renewed unless the respective ministry can justify the post. As a consequence of these personnel reductions, physical space will have to be rationalized.

The nonactive status and indemnization system of public employees have been modified (the period in which the agent remains in nonactive status has been reduced and the pay scale has been decreased). An agent with up to five years of active service will be paid 80 percent of his salary for each year of service; an agent with more than 20 years will be paid 50 percent of his salary for each year of service.

The salary policy for contracted personnel working in public organizations cannot exceed the percentage of salary increases determined for the public administration (five percent in August and four percent in December).

Public sector collective labor agreements must be announced within a period of 90 days.

Directives that distort productivity have been temporarily suspended.

Common Market Agreement Signed With Brazil

PY0509134590 Buenos Aires TELAM in Spanish 0055 GMT 5 Sep 90

[Text] Buenos Aires, 4 Sep (TELAM)—Argentina and Brazil today agreed to state that they "must coordinate and reconcile their respective macroeconomic policies as soon as possible" in order to make progress toward ultimately establishing a common market in 1995.

The two countries continued to make progress on this initiative after two days of talks by the Common Market group at the Economy Ministry. The meeting was attended by Juan Schiaretti, head of the Argentine Foreign Ministry Department for Latin American Policy and Integration, and Celso Amorim, head of the Brazilian Foreign Ministry Economic Department.

At the end of the meeting, Schiaretti and Amorim summed up the results of their talks by saying that "this

was the first agreement and a serious, responsible effort to establish a common market."

Asked about the contents of the agreement, Schiaretti said: "It was agreed to create technical working groups to study trade and customs matters; fiscal and monetary policies and their effects on trade; surface and sea transportation; and industrial, agricultural, and energy policies."

Schiaretti added that the Common Market group will have its own team of advisers "who will be charged with studying the agreements and disagreements between the Argentine and Brazilian sectorial and macroeconomic policies."

Schiaretti said that to make progress in establishing a common market with Brazil, it was decided to gather all trade agreements between the two countries under a single economic cooperation agreement. Each trade agreement will, however, retain its specific characteristics." [no opening quotation mark as received]

Schiaretti also reported that "beginning 31 December 1990, a 40-percent minimum preferential rate will be applied to the overall tariff system falling under the economic cooperation agreement, with the exceptions included in the existing lists."

Schiaretti described the establishment of a timetable for mutual automatic tariff reductions every six months as one of the most significant results of the meeting. The timetable covers the period ending 31 December 1994, "at which time it is expected that tariffs will be reduced to zero."

Finally, Schiaretti said that to implement the tariff reduction timetable "the two countries must coordinate and reconcile their respective macroeconomic policies."

Argentine diplomatic sources described these agreements as the groundwork for moving once and for all toward the establishment of a common market. The terms under which Uruguay and Paraguay could join the market will be discussed on 5-6 September.

5,000 Tons of Wheat, Windmills Donated to Peru

PY0509131490 Buenos Aires TELAM in Spanish 0852 GMT 5 Sep 90

[Excerpt] Buenos Aires, 5 Sep (TELAM)—Jose Luis Fernandez Valoni, Argentine Foreign Ministry technical under secretary, has left for Peru to transfer Argentine donations consisting of 5,000 tons of wheat and windmills for the agricultural sector.

Fernandez Valoni stated before departing that these donations "seek to compensate for the drought that has been affecting Peru, within the framework of the Peruvian-Argentine cooperation fund." [passage omitted]

DYN, REUTERS Sign Cooperation Agreement

PY0409165590 Buenos Aires DYN in Spanish 0320 GMT 2 Sep 90

[Excerpt] Buenos Aires, 1 Sep (DYN) — Today DIARIOS Y NOTICIAS (DYN) and REUTERS announced a technical and commercial cooperation agreement for the joint distribution of international and national news reports in Spanish within the country and abroad in high speed via satellite.

The news services of the two journalistic organizations will be received by consumers at 120 characters per minute (1,200 BPS [bauds per second]) through an integrated network operated by REUTERS, which will use compatible equipment and technology.

The agreement, which will be implemented gradually and must be completed within the next few weeks, was announced by Humberto Perez, DYN's president, and by Enrique Jara, REUTERS director for Latin America. [passage omitted]

Brazil

Collor Decides To Relaunch Social Pact Proposal

PY0409163790 Sao Paulo FOLHA DE SAO PAULO in Portuguese 1 Sep 90 p B1

[Report by Gilberto Dimenstein, director of the FOLHA DE SAO PAULO branch office in Brasilia]

[Excerpt] Concerned over the worsening labor conflicts this month and the accelerated rise in the consumer price index, President Fernando Collor, 41, yesterday decided to relaunch the proposal for a national agreement between workers and businessmen, a proposal to be worked out by Justice Minister Bernardo Cabral, Economy Minister Zelia Cardoso de Mello, and Labor Minister Antonio Rogerio Magri. The government's idea is to create a forum to negotiate adjustments to the economy.

Through this proposal of a national agreement, the president wants to demonstrate that the government will be "open to dialogue." He ordered Minister Bernardo Cabral to summon CUT [United Federation of Workers] leader Jair Menghelli for a meeting scheduled for next week in Brasilia. Conflicts in the oilworkers and bank employees areas, which are led by the CUT and which would promote a so-called "Black September," are expected to take place this month. [passage omitted]

Embraer To Begin Privatization; Plans Reviewed

PY0509174090 Sao Paulo FOLHA DE SAO PAULO in Portuguese 3 Sep 90 p B-6

[Report by Antonio Carlos Seidl from London]

[Text] According to Embraer [Brazilian Aeronautics Company] Director Ozilio da Silva, the company, one of

the four state enterprises under the Aeronautics Ministry, will begin its privatization process at the end of this month. "I will have a meeting with BNDES (National Bank for Economic and Social Development) President Eduardo Modiano when the decision on the privatization is finalized at the end of this month," Silva told FOLHA yesterday at the aerospace fair in Farnborough, near London.

"We expect to attract foreign partners, within the limits of the law that was recently approved in Brazil, but we want our partners to be commercial banks," Silva said. The Embraer director emphasized that the company does not want just another aeronautics company as its partner. "We prefer to have business partners such as Airitalia, which joined us in building the AMX fighter plane. The scope here is much broader, and we will have more freedom to seek the most convenient offer," Silva said.

Embraer is presenting the CBA-123 plane at the "Farnborough-90" fair. The CBA-123 is a new 19-passenger pressurized turboprop plane that was manufactured in a joint venture with the Argentine firm FAMA [Argentine Manufacturers of Aerospace Materiel].

The CBA-123 is one of the big commercial attractions at the Farnborough fair, which will be officially inaugurated today with the participation of 80 aerospace companies from around the world.

"We expect to sell 600 CBA-123 planes by the year 2000 and to win 20 percent of the world market for regional airlines using 19-passenger planes," Silva said. Regional companies in Canada, the United States, Argentina, Brazil, and West Europe have already placed orders for options to purchase 156 planes.

Economy Minister Explains IMF Negotiations

PY0409154890 Sao Paulo FOLHA DE SAO PAULO in Portuguese 4 Sep 90 p B-14, 15

["Text" of interview with Economy Minister Zelia Cardoso de Mello by FOLHA DE SAO PAULO in Sao Paulo on 31 August]

[Excerpt] [Passage omitted] [FOLHA] The government was very optimistic about the IMF mission. It appears that nothing was finalized, however, and that the final terms of the agreement were not decided. What complication can now be expected in the foreign debt negotiations?

[Cardoso] Our optimism has always rested on the assumption that our economic program would appear flawless to the IMF. This assumption turned out to be correct. The IMF mission had access to all figures regarding our economy and there was nothing over which they could technically object. Since the IMF represents countries where our creditors reside, however, a more complex discussion about the banks and the economic targets is expected. I remain optimistic. The IMF mission leaves today, but this does not mean the end of negotiations. We will exchange information via fax and I believe that within two weeks we will reach an agreement.

[FOLHA] Since the moratorium [on overdue interest payments] continues and nothing is said about dates, when will the government be more definite? When will payments, proposals, and so forth be resumed?

[Cardoso] We intend to announce our proposal to the creditor banks in mid-September.

[FOLHA] The agreement Brazil signed in 1988 forbids any agreement negotiated outside the Banks Steering Committee. How will the government close agreements with individual banks?

[Cardoso] We have never said that we will negotiate outside the Banks Steering Committee. When we invited the banks individually, we did so to negotiate and consult with them. What we can say today is that an agreement will not necessarily be sought outside the Banks Steering Committee.

[FOLHA] There are two debt agreements that reflect the post Brady plan situation: The agreements with Mexico and Venezuela. Will the Brazilian agreement follow the same road?

[Cardoso] We want a better agreement.

[FOLHA] The agreements with Mexico and Venezuela contain debt-conversion clauses. These conversions can be inflationary because they increase the economy's liquidity. Will the government accept the inclusion of conversion in the debt agreement?

[Cardoso] We have to first return to our idea of ability to pay the debt. We want to pay the debt in a way that is consistent with our plan to keep inflation under control. To pay the foreign debt and incur inflation is easy; we can begin to pay it that way tomorrow. Debt conversion is a form of payment, and it will have to be regulated as such. If debt conversion can be done in a way that is consistent with our economic policy, we will accept debt conversion.

Minister Blames Businessmen, Unions for Inflation

PY0409164590 Sao Paulo FOLHA DE SAO PAULO in Portuguese 2 Sep 90 p 1

[Report by Mauro Lopes]

[Text] Economy Minister Zelia Cardoso de Mello, 36, has blamed businessmen and unionists for August inflation, which amounted to 10 percent and surpassed the government's estimate. In an exclusive interview with FOLHA DE SAO PAULO, she stated that the businessmen's refusal to decrease their profit margins and the informal indexation of prices and salaries is stopping the fight against inflation.

The minister believes that the economic agents are betting against the economic program. The government's answer will be to pull in more money from the market when the resistance to combating inflation increases. The minister rejected any type of price and salary freezes. Cardoso de Mello also indicates that a social pact must serve to reduce the period of recession, which she believes will last between three and four months.

Government, Businessmen, Workers Begin Talks

PY0609030090 Brasilia Domestic Service in Portuguese 2200 GMT 5 Sep 90

[Report by Carlos Aberto on results of the first meeting for national agreement held in the Justice Ministry in Brasilia on 5 September]

[Text] Government, businessmen, and workers decided to create a three-party committee and the following six subcommittees: capital and labor relations, specialization of the economy, private enterprise participation in the infrastructure, deregulation, combating poverty, and education. There has been general discussion without any details. Justice Minister Bernardo Cabral clearly established that the government would not yield on one issue: No wage increases will be paid for by price increases.

[Begin Cabral recording] The government wants to clearly establish that any salary increase will come through free bargaining between employers and employees, and this salary increase must not be the result of a price increase that would harm consumers. This is why we defend the free bargaining system. Once free bargaining is concluded and the employees obtain a salary increase, it must be paid for by the employer who cannot charge consumers for it by raising the prices of products, as was done until recently. [end recording]

During the meeting it was also decided that the names of the 10 people who will be members—along with the ministers of labor, economy, and justice—of the central committee will be revealed by next Wednesday [12 September]. These people will undergo an initial evaluation on 14 September, and a final evaluation will be made by consensus by the beginning of October.

300,000 Social Security Employees on Strike

PY0509154290 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 5 Sep 90

[Text] Some 300,000 employees from the INAMPS [National Institute for Social Security Medical Assistance] and the National Institute of Security are observing a national strike. They are demanding a 274-percent salary increase to recover the purchasing power they have lost since January and the rehiring of the 40,000 employees who have been fired or have lost their assigned positions and been placed on the awaiting reassignment list within the framework of the administrative reorganization.

Strike leaders have reported here in Brasilia that emergency service at public hospitals and clinics will not be suspended.

Missile Experts Want To Return From Iraq

PY0409121490 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 2 Sep 90 p 18

[Report by William Waack]

[Text] The 21 Brazilians who took part in an Iraqi military project for the development of an air-to-air missile now want to leave Iraq and return home. They have already applied for exit visas to the Iraqi Industry and Military Industrialization Ministry, to which they are subordinated. So far, however, they have not received permission to leave the country.

If the permission is not granted in the next few days, the group intends to solicit the official help of the Brazilian Government which has denied any connection with the team of Brazilian engineers and experts who have been taking part in the Iraqi Government war effort. These Brazilians have an extremely high technical and cultural level, and many of them are doctors of philosophy. They have been living in Baghdad since the end of 1989 and have signed contracts for two years. They were very happy in Iraq, where they were granted housing and transportation, until the start of the Persian Gulf crisis one month ago. The trade embargo against Iraq, which was ordered by the United Nations, became the main reason used by the spokesmen of the group for applying for exit visas: The embargo does not allow them to purchase the essential equipment with which to continue their work.

Some of these Brazilians agreed to comment on their work in Iraq, as long as their names were not published. They expressed their deepest concern about what they called the "mystery" about their work. They asserted that they merely advise the Iraqi Government on the technical specifications and development of an air-to-air missile that is similar to the Piranha project. They said the Aeronautics Ministry has already developed the Piranha to an advanced stage in Sao Jose dos Campos.

One of the Brazilians said: "We are showing the Iraqis how to develop this type of tactical weapon which will not alter the strategic balance in the Middle East. We are showing them motors, designs for the body of the missile, target tracking, and explosives. We have to show them what they have to buy in the way of motors, for example. Only after that will they be able to build the weapon. Even after we leave the country, it will still take them some three years to complete the project. In other words, it would take them three years to build the missile."

No missile has yet been launched in Brazil, not even from a plane, and the experts have not yet completely dominated missile technology. One of the Brazilians said: "On paper, this missile has been launched and has flown many times, but reality is very different from theory," adding that "the Iraqis are purchasing access to the technology, not a completed product." The Brazilian

experts believe their work "is very inexpressive" in the face of the problems being experienced by the Iraqi leaders. Although the group is concerned in keeping the customer satisfied, they are now facing difficulties in view of the psychological state of many Iraqis, particularly the younger ones, who are almost panicking. Another of the Brazilians said: "We are stuck here, without salaries or the opportunity to leave, and yet in Brazil we are considered mercenaries. I am even afraid that the Israeli secret service will chase us when we return to Brazil."

The group has not received any salary in the last two months. This, however, has been caused by the financial difficulties being faced by their official employers, HOP [Hugo de Oliveira Piva] Consultants and Representations, which is owned by Major Brigadier Hugo de Oliveira Piva, retired. The company's financial difficulties have seriously harmed the experts working in Baghdad. They are intelligent and cultured. Some of them are still good-humoredly and ironically commenting on their current situation. One of them said: "In addition to working without being paid, we are being criticized in Brazil and have become international gangsters. This is something I did not expect."

Newspaper Prints Provisional Measure 211

PY0109210290 Sao Paulo FOLHA DE SAO PAULO in Portuguese 28 Aug 90 p B3

["Text" of Provisional Measure 211, issued in Brasilia on 24 August 1990, which modifies Provisional Measure 199 issued in the same city on 26 July 1990]

[Text] This provisional measure regulates the guarantee of the effective salary and supplies other provisions.

The president of the Republic, exercising the authority granted him by Article 62 of the Constitution, endorses the following provisional measure, which is binding as law:

Article 1. The effective salary of each economic or professional category will be guaranteed according to that category's first effective base date following publication of this provisional measure.

Single Paragraph. Should an employer face extreme situations, business losses, or economic-financial hardships that put his undertaking at risk, he can validly argue before the Labor Court his inability to comply with the provision in the main paragraph of this article, the guarantee of the effective salary thus being suspended until a final decision can be rendered upon appeal to a higher court.

Article 2. The following rules must be taken into consideration in implementing this provisional measure:

I. The base date is that which establishes annual salary readjustments and other labor conditions applicable, for a period of one year, to the individual working conditions of each economic or professional category;

II. The effective salary is that which ensures, through a compensatory readjustment for previous inflation losses, the same purchasing power established under the last labor agreement or collective labor bargaining period;

III. The Salary Recomposition Factor [Fator de Recomposicao Salarial] (FRS) will be the unit of value used to calculate the effective salary.

Article 3. The effective salary to which the former articles refer, expressed in FRS, will be calculated in the following manner:

I. The monthly salary must be divided by the FRS corresponding to the day of effective payment; and

II. By calculating the average FRS of the monthly salaries under the last labor agreement or labor bargaining period.

Paragraph 1. In cases of either complete or partial salary advances, the division mentioned in Clause I must be applied, using the FRS value which corresponds to the day each advance payment was made.

Paragraph 2. With no detriment to employees' right to payments, the following features will not be included in the calculation of effective salaries:

I. The Christmas bonus or equivalent payment;
II. Unusual payments;
III. Vacation pay; and
IV. Premium pay.

Paragraph 3. The premium pay mentioned in Clause IV will be applied after converting the effective salary into cruzeiros, using the FRS value which corresponds to the last day of the month of the base date referred to in Article 1.

Article 4. The effective salary, calculated according to the provisions of Article 3, will be converted into cruzeiros using the FRS value that corresponds to the last day of the month of the base date established in Article 1.

Article 5. The value of the FRS will be taken to be 1.0 cruzeiros on 1 March 1989 and will be corrected by the daily pro rata variation of the Consumers Price Index (IPC) calculated by the Brazilian Geography and Statistics Institute (IBGE) for the month in which the FRS is applied.

Paragraph 1. The economy, finance, and planning minister will release, on the first working day of each month, an updated table of FRS values. The table will be based on the estimated value of the IPC for the months for which the IPC has not yet been calculated.

Paragraph 2. The FRS will be automatically null on 1 August 1991.

Article 6. If the IPC estimated value is different from what is actually determined, thus forcing changes in the FRS values, and in compliance with the principle of the nonreduction of salaries, the effective salary will be adjusted on the second month after the base date, as defined in Article 1. The difference between the salary

adjustments and what has already been advanced to workers as of the base date will be paid:

I. By recalculating the value of the effective salary by applying the updated FRS value table, as provided in Article 3, and converted into cruzeiros, as provided in Article 4; and

II. By subtracting the salary established at the base date from the recalculated value, as established in the previous clause, the accumulated IPC variations of the previous two months and of the previous month, respectively, will be applied to the differences.

Article 7. Provisions in previous articles do not prevent the employer from making adjustments to his employees' salaries in order to preserve the respective job, salary, and career structure, provided salaries are not reduced.

Article 8. Allowing for free salary negotiations between employees and employers under the terms of Article 3 of Law 8030, dated 12 April 1990, salary readjustments will be made:

I. On the base date for the respective professional category; and

II. One other time only, between the base date for a year and the following year's base date, if so established in a collective bargain agreement or by a court decision in a labor litigation.

Article 9. A full 3,000-cruzeiro bonus will be granted, in August 1990, to workers whose salaries plus bonus will not surpass 26,017.30 cruzeiros.

Paragraph 1. The bonus to be paid to workers whose salaries plus 3,000 cruzeiros surpass 26,017.30 cruzeiros will be reduced so that the salaries plus reduced bonus will not surpass 26,017.30 cruzeiros.

Paragraph 2. The bonus referred to in this article will not, under any conditions, be incorporated into the salary, nor will it be subject to any form of taxation.

Article 10. The cost of the readjustment and bonus referred to in this provisional measure must not be added to prices.

Single Paragraph. Violation of this article's provision will be considered a violation of Line "A" of Article 11 of Delegated Law 4, dated 24 September 1962, and liable to penalties established in the introductory paragraph of Article 11 and in Article 12 of the same law, as modified by Law 7784, dated 28 June 1989, and Law 8025, dated 27 April 1990.

Article 11. Clauses in labor agreements authorizing salary readjustments that are at variance with the provisions of this provisional measure are null.

Article 12. All articles but Article 9 do not apply to salaries, wages, or renumerations of public servants, both civilian and military, in central, self-governed, or foundation-like agencies of the federal public administration.

Article 13. Provisions in this provisional measure do not apply to retirement benefits or pensions paid by the federal government or social security.

Article 14. The economy, finance, and planning minister will issue instructions necessary for compliance with this provisional measure.

Article 15. Acts that have been performed under terms of Provisional Measure 193 of 25 June 1990 are confirmed.

Article 16. This provisional measure will be in force on the date of its publication.

Article 17. All provisions to the contrary are rescinded.

Brasilia, 24 August 1990; 169th of Independence and 102d as a Republic.

Fernando Collor de Mello

Zelia Cardoso de Mello

Antonio Rogerio Magri

Denationalization Program Law Converted

PY0109123090 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 17 Aug 90 p 14

[Text of Law 8031, dated 12 April 1990, establishing the National Program of Renationalization by converting Provisional Measure 155 of 15 March 1990]

[Text] The president of the Republic makes it known that the National Congress decrees, and he authorizes, the following law:

Article 1. The National Program of Denationalization [PND] is established, with the following fundamental objectives:

I. To reorganize the State's strategic position in the economy, transferring to the private sector activities currently exploited by the public sector;

II. To help reduce the public debt and restore rationality to public sector finances;

III. To allow the resumption of investments in enterprises and activities that will be transferred to the private sector;

IV. To contribute to modernizing the country's industrial sector, broadening its competitive nature, and boosting entrepreneurial ability in the various sectors of the economy;

V. To allow the public administration to concentrate its efforts on activities in which the State's presence is fundamental for the government to tend to national priorities; and

VI. To contribute to bolstering the capital market, through the increased offer of stocks and democratization of capital ownership in enterprises participating in the PND.

Article 2. Under provisions of this law, enterprises with the following characteristics can be privatized:

I. Those controlled, either directly or indirectly, by the Federal Government, and instituted by law or executive branch resolution; or

II. Those created by the private sector and which, for any reason, came under the direct or indirect control of the Federal Government.

Paragraph 1. Privatization is understood to be the transfer of Federal Government rights which, directly or through a controlled company, entitle it to have a strong voice in board deliberations, as well as to elect the majority of company administrators.

Paragraph 2. Provisions of this law apply, where appropriate, to the transfer of minority participation by the Federal Government, whether directly or indirectly, in the capital stock of any other company.

Paragraph 3. The provisions of this law do not apply to public enterprises or mixed economy companies engaged in activities that exclusively pertain to the Federal Government, in accordance with Articles 21; 159, Paragraph I, line C; and 177 of the Federal Constitution, nor do they apply to the Bank of Brazil and to the official reinsurance organ referred to in Article 192, Paragraph II of the Federal Constitution.

Paragraph 4. Vetoed

Article 3. The transfer of shares owned by the Federal Government in the capital stock of Brazilian Petroleum Inc., Petrobras, will continue to be governed by Articles 11 and 18 of Law 2004, dated 3 October 1953.

Article 4. These privatization projects will be carried out in the following ways:

I. Sale of stock participation, even majority stock participation, preferably among the public, employees, shareholders, suppliers, and consumers;

II. Freeing of capital;

III. Increase of capital through the total or partial cession of subscription rights;

IV. Transformation, incorporation, merger, or split;

V. Sale, lease, rent, commodatum, or cession of property and installations; or

VI. Dissolution of enterprises or partial deactivation of them, with the subsequent sale of their assets.

Article 5. The PND will have a Directors Commission, directly subordinate to the President of the Republic, whose members and alternates will be designated by him and subject to congressional approval.

Paragraph 1. Vetoed.

Paragraph 2. The commission president will have the right of tie-breaking vote.

Paragraph 3. Any other person whose presence, according to the criteria of commission members, is considered necessary to evaluate processes can attend meetings of the Directors Commission without the right to vote.

Paragraph 4. Vetoed.

Article 6. The PND Directors Commission is empowered to:

I. Recommend to the President of the Republic enterprises that should be included in the PND.

II. Recommend to the President of the Republic the public institution to be designated to manage the PND.

III. Submit annually to the President of the Republic the PND timetable.

IV. Publish a timetable for implementation of the PND.

V. Coordinate, supervise, and oversee implementation of the PND.

VI. To approve adjustments of operational, accounting, or juridical nature, as well as ones to ensure the financial viability of enterprises, which are necessary for initiating the privatization process.

VII. To approve general terms for the sale of majority and minority interest shares and of other assets and rights, as well as the minimum price of the shares and assets to be sold.

VIII. To approve the use of proceeds from privatizations referred to in Article 15.

IX. To approve the forms of payment for privatizations referred to in Article 16.

X. To make decisions on the provision in Article 13, Paragraph 2.

XI. To oversee strict compliance with the principles and rules set forth in this law and ensure full disclosure of the privatization process under the terms of Article 11.

XII. To review the accounting of each privatization operation presented by the institution managing the National Fund of Denationalization.

XIII. To suggest the creation of a special shares class and its regulations under the conditions set forth in Paragraphs 1 and 2 of this article.

XIV. To dictate the rules and resolutions necessary for performing its duties.

XV. To publish an annual report on its activities and results, including the following information:

a) A list of enterprises to be privatized and those that have been privatized;

b) A justification of each privatization, indicating the percentage of capital with a right to vote in general, capital transferred or to be transferred;

c) The date and act that established the original state-owned enterprise, or date, act, and reason for its privatization;

d) The enterprise's liabilities and their maturity timetable, indicating who is responsible for the liabilities after privatization of the enterprise;

e) Each enterprise's financial situation, operating results for the last three business years, domestic and foreign debts, dividend payments to the National Treasury, resources received from the Federal Government, and liquid assets;

f) An indication of the use of resources obtained or to be obtained from privatization;

g) Information on the existence of price controls for the enterprise's products and services and price variations in recent business years when compared with inflation indexes;

h) A description of the investments in the enterprise made by the Federal Government or its agencies, and financial returns from the privatization;

i) The number of employees and prospects for maintaining that number after privatization;

j) A summary of the economic study and evaluation of the enterprise, including total price and value per share; and

l) [as published] A specification of the operational form of privatization and its justification, with explanations for a lack of distribution in the sale of shares, when appropriate.

Paragraph 1. Vetoed.

Paragraph 2. The special class shares can only be held by the Federal Government.

Article 7. The privatization of public service enterprises through any of the provisions in Article 4 presupposes government delegation of the concession or permit for exploiting that particular public service, in accordance with the law.

Single paragraph. In order to implement this article it is stipulated that the party granting the concession will have 60 days, beginning with the day the act of privatization is determined, to elaborate specific conditions and regulations the concessioner must observe.

Article 8. Whenever it is required for reasons of national interest, the government will retain direct or indirect control of special class shares in privatized enterprises, holding veto power in certain matters. These matters will be specified in the enterprise's regulations in accordance with Article 6, Paragraph XIII and Paragraphs 1 and 2 of this law.

Article 9. To implement the PND and for accounting purposes the National Fund of Denationalization is created. It will be made up of deposited shares from enterprises owned, directly or indirectly, by the Federal Government, and whose privatization has been approved.

Paragraph 1. Share Deposit Receipts (RDA's) will be issued to share depositors in the National Fund of Denationalization; the RDA's will be nontransferable and nonnegotiable.

Paragraph 2. Each depositor's RDA's will be canceled for all intents and purposes upon the receipt of proceeds from the sale of the shares each depositer contributed to the National Fund of Denationalization.

Paragraph 3. The owners of shares deposited in the National Fund of Denationalization will maintain their shares in their accounting books without changing the entry classification until transfer of the shares is completed.

Article 10. All shareholders in enterprises included in the PND will deposit their shares in the National Fund of Denationalization within five days of publication in DIARIO OFICIAL of the decree including that enterprise in the PND.

Single paragraph. Administrators of enterprises included in the PND and majority stockholders will be held personally responsible, under the law, for depositing their shares in the National Fund of Denationalization.

Article 11. To ensure public disclosure of the conditions under which privatizations will be made, as well as the economic, financial, and operational situation of each enterprise included in the PND, pertinent announcements will be published in DIARIO OFICIAL and national readership newspapers, specifying:

a) Justification for the privatization, indicating the percentage of the company's capital stock to be sold;

b) The date when and the act which originally set up the state-owned enterprise, or, if the enterprise has been nationalized, the date when, the reasons why, and the act with which nationalization was implemented;

c) The enterprise's short-, medium-, and long-term liabilities, indicating who will be responsible for them after privatization;

d) The enterprise's financial situation, specifying losses and profits, domestic and foreign debts, and dividend payments to the National Treasury or resources received from the Federal Government in recent business years;

e) An indication of the use to be made of proceeds from the privatization;

f) Information on whether or not there are price controls on the goods and services of the company to be privatized, and the price variations when compared with inflation indexes in recent business years;

g) A description of resources invested by the State in the case of nationalized companies, and how those resources will be recovered after privatization;

h) A summary of the evaluation study of the enterprise made in accordance with Article 13, Paragraphs III and IV, of this law [as published];

i) Criteria for setting the total price for the company's privatization, and the value of each share, based on the evaluation study;

j) Vetoed; and

l) [as published] An indication, if warranted, that special class shares will be created, and the powers they confer.

Article 12. Vetoed.

Article 13. The privatization processes will observe, in addition to the provisions in preceding articles, the following rules:

I. After publication in DIARIO OFICIAL, they will be announced in at least two large-circulation newspapers, explaining the conditions for the privatization and the financial situation of the company included in the PND.

II. Vetoed.

III. Vetoed.

IV. The transfer of shares to foreign individuals or corporations shall not exceed 40 percent of the voting capital, except when a higher percentage is authorized by Congress.

V. Vetoed.

VI. Liquidation of an enterprise in the PND shall observe the provisions of Law 6405, dated 15 December 1976, and Decree 2300, dated 21 November 1986.

Article 14. Vetoed.

Article 15. Proceeds from the sale of shares and property should be used for retiring debts with the public sector.

Single paragraph. Giving priority to legal privileges, preference will be given to the payment of overdue and coming-due debts guaranteed by the National Treasury, and to debts where the creditor, directly or indirectly, is the Federal Government.

Article 16. For the payment of sales under the PND, the following operational forms can be adopted:

I. Private financial institutions which are creditors for enterprises whose shares have been deposited with the National Fund of Denationalization, can finance the sale of shares and property of enterprises being privatized, through full or partial use of those credits.

II. Holders of matured public debt notes issued by the seller of shares or property and containing a National Treasury payment obligation clause, can use those notes to pay for the acquisition, if they are purchasing those shares or property.

III. Through the transfer of deposits or other financial assets held at the Central Bank under rules of the Economic Stabilization Plan.

Single Paragraph. The use of the operational forms mentioned in this article will be approved through procedures provided for in Articles 5 and 21 of this law.

Article 17. Enterprises that become part of the National Fund of Denationalization should have a strategy that is responsive to the privatization objectives.

Article 18. In implementing the operational forms provided for in Article 4, the minimum sale price, approved by the Directors Commission, will be submitted to the General Assemblies of the respective companies for consideration.

Article 19. The Economy, Finance, and Planning Ministry will provide any support needed by the PND Directors Commission.

Article 20. The National Fund of Denationalization will be administered by a public sector institution designated as the Fund Manager, under the terms of Article 6, Paragraph II of this law.

Article 21. The National Fund of Denationalization manager will be in charge of:

I. Providing administrative and operational support, as well as secretarial services, that may be requested by the PND Directors Commission.

II. Providing information that may be requested by the PND Directors Commission.

III. Publicizing broadly all of the privatization processes, as well as providing all information that might be requested by competent authorities.

IV. Soliciting contract bids from economic consulting companies for evaluating properties and auditing the privatization processes provided for in this law.

V. Submitting to the PND Directors Commission general conditions for the sale of majority and minority shares, and other assets and rights, including the minimum price for the properties and shares to be transferred.

VI. Making recommendations to the PND Directors Commission on the use of privatization proceeds under terms of Article 15 of this law.

VII. Making recommendations to the PND Directors Commission on the form of payment for privatization under terms of Article 16 of this law.

VIII. Promoting coordination with the stock brokerage system and the stock exchanges to stimulate dispersion of the capital of companies participating in the PND.

IX. Determining the information necessary for carrying out each privatization process, in addition to the information required by this law.

X. Making recommendations to the PND Directors Commission on adjustments of operational, accounting, or juridical nature, as well as ones for the financial viability of enterprises, which would be necessary for initiating the privatization process.

XI. Making recommendations to the PND Directors Commission on other forms of privatization according to the terms of Article 13, Paragraph X [as published] of this law;

XII. Selecting and registering firms with recognized, traditional reputations for negotiating on capital and the transfer of packages of shares and sale of assets, as established in Article 13, Paragraph II [as published] of this law;

XIII. Preparing all documents relative to each privatization process for evaluation by the National Accounts Tribunal;

XIV. Submitting to the National Fund of Denationalization managing board a detailed account of each privatization process;

XV. Making recommendations to the Directors Commission on the creation of special class shares and their areas of application, always abiding by what is provided in Article 6, Paragraph XIII of this law;

XVI. Making recommendations to the Directors Commission on conditions for employees of firms affected by the PND to participate in the purchase of shares, within the terms of Article 14 [as published] of this law.

Article 22. Shareholders and administrators of firms affected by the PND will adopt, in the established terms, all measures deemed necessary by the Directors Commission for implementing the privatization process.

Article 23. Personal responsibility for eventual actions or omissions that prevent or hinder the privatization processes provided for in this law will fall on:

I. Administrators of firms included in the PND or administrators of institutions holding shares in those firms;

II. Administrators of the firm managing the National Fund of Denationalization;

III. Members of the PND Directors Commission;

IV. Public officials handling the privatization processes.

Single Paragraph. Administrators of firms included in the PND will be exclusively responsible for providing timely information on their firms so as to assist in the preparation of documents necessary for the privatization process.

Article 24. The National Fund of Denationalization manager will receive 0.2 percent (two-tenths of one percent) of the net value of the privatizations, which will be adjusted for inflation, to cover operational costs and expenses with third parties that are necessary for implementation of the privatization processes contained in this law.

Article 25. The National Fund of Denationalization will be audited by independent external auditors registered with the Securities and Exchange Commission and who will be contracted by the National Fund of Denationalization manager through public bids.

Article 26. The Federal Denationalization Council and its executive secretariat are eliminated.

Article 27. The sale, subscription, or transfer of shares in violation of this law will be legally void.

Article 28. The executive branch will regulate this law for a period of 90 days beginning with the day it is published.

Article 29. This law will become effective on the date of its publication.

Article 30. All dispositions contrary to this law are hereby derogated.

Brasilia, 12 April 1990; the 169th year of independence and 102d of the Republic.

Central Bank Reserves Total $8.113 Billion

PY0409144690 Brasilia Domestic Service in Portuguese 2200 GMT 3 Sep 90

[Text] The Central Bank today reported that the Brazilian exchange reserves totaled $8.113 billion in July. This level of reserves was surpassed between May and October 1985 [sentence as heard]. Following the implementation of the Collor plan, reserves grew by 50 percent from the critical level of $5.3 billion.

This increase has resulted primarily from the suspension, since July 1989, of payments on foreign debt interest owed to the Paris Club and to private creditor banks.

Silvio Rodrigues Alves, director of the economic department of the Central Bank, has said that the Brazilian Government will not resume interest payments before adjusting the economy—that is, before controlling inflation.

Rodrigues Alves said that the Brazilian Government has already reported its position to the IMF, which has insisted on the resumption of payments.

Brazil's overdue interest owed to private creditors amounts to $7 billion.

The reasonable level of reserves also guarantees that Brazil will have enough dollars to cover any emergency

without causing a crisis—for example, in case of additional spending on oil imports or to purchase goods to regulate the domestic market.

Environmental Protection Accord Signed

PY0109170890 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 1 Sep 90

[Text] The Brazilian Government has signed a cooperation agreement on environmental protection with Indonesia. The agreement was signed by Brazilian Agriculture Minister Antonio Cabrera and the Indonesian forestry minister. We have a report from (Iara Selva).

[Begin recording] [(Selva)] Minister Antonio Cabrera explains the basis of the agreement:

[Cabrera] As the communique says, the objective is to transfer new technology that Brazil has. The important point is that as of now, the two countries have decided to have greater cooperation. Our request to the minister is that Indonesia join us in the battle against subsidies for international market production, because by favoring surplus export production, these subsidiess are the main cause of environmental destruction today.

[(Selva)] Minister Cabrera also said he advocates free agricultural exchange for food production with the objective of preserving food for future generations. [end recording]

Chile

Four Explosions Reported in Santiago 4 Sep

PY0409134890 Santiago Domestic Service in Spanish 1100 GMT 4 Sep 90

[Relay from Mobile Unit 3 by Oscar Benito Rebolledo]

[Text] Good morning. We woke up this morning and found a very nice clear sky, which is unusual in Santiago. The police have reported that in Santiago the situation has been calm over the past few hours due to an intensive patrol operation carried out by Carabineros and civilian police forces.

Nevertheless, four bombs exploded this morning in different sectors of the capital. No report on casualties has been issued, but considerable property damage was reported.

The first bomb was planted in a commercial building in (La Cumancho), causing some property damage. Another bomb exploded at the Arturo Prat monument at Venezuela Park. The third bomb exploded at (San Juanes Park) in La Providencia neighborhood, near the monument to the Air Force. The latest explosion took place at the Toyota dealership on the corner of Americo Vespucio Street and Colon Avenue.

No leaflets were found at the sites of the explosions from which to identify the terrorists groups that planted these bombs.

More Explosions Reported

PY0509141090 Santiago Domestic Service in Spanish 1100 GMT 5 Sep 90

[Report from Mobile Unit 3 by Oscar Benito Rebolledo]

[Excerpt] Good morning. Last night was not as calm as other nights; three more terrorist bombs have exploded over the past few hours.

The first bomb was planted at an abandoned building on (Tufer) Street, but it caused little property damage. Another went off in Carol Urzua Park at 6700 Luis Pasteur Street, damaging a gas station and a school, where several windows were shattered.

The third bomb exploded at the intersection of Pamela and Gaston Palma Streets, damaging an electricity pole and alarming the people. [passage omitted]

State Funeral Held for Former President Allende

PY0509011090

[Editorial Report] Santiago Radio Chilena in Spanish at 1700 GMT on 4 September begins live coverage of a speech by President Patricio Aylwin in front of Santiago General Cemetery on the occasion of former President Salvador Allende's funeral. In his 11-minute speech, Aylwin talks about the former president's life and personality, noting that he had friends and foes and that Aylwin himself was one of his political adversaries, but this fact did not prevent them from being friends and from seeking common solutions to the country's problems.

At 1713 GMT, Radio Chilena begins broadcasting the regular "Primera Plana" newscast, which carries coverage of the funeral. It reports that in addition to the president; ministers of state, congressmen, and foreign guests are participating in Allende's funeral. The station then carries an interview with Patricio Rivas, a Revolutionary Left Movement deputy, who praises the administration's effort "to present an example of real reconciliation" through this funeral.

At 1719 GMT, the station reports that the procession with Allende's coffin and members of Allende's family has entered the cemetery. It then plays a recording of Allende's last message, which was delivered on the morning of 11 September 1973, and recorded excerpts of the Santiago archbishop's homily delivered during a Te Deum mass at Santiago Metropolitan Cathedral earlier today. The station also reports on events at the Vina del Mar Cemetery earlier this morning when Allende's body was exhumed, and plays recorded excerpts of messages delivered by Allende's daughter, Isabel Allende, and Socialist Party Chairman Jorge Arrate. The station then reports Interior Minister Enrique Krauss' praise for people's participation in the ceremony, and reports on incidents in downtown Vina del Mar, where people began to shout slogans and had to be repressed by the police.

At 1736 GMT, the station broadcasts statements by several ministers, officials, and congressmen on Allende and his historical role. The station then begins live reportage from Santiago cemetery.

At 1738 GMT, the coffin is lowered into a tomb. Communist Party members Fanny Pollarolo and Manuel Riesco say that Allende is now receiving the delayed homage of the Chilean people.

At 1739 GMT, the station plays recorded excerpts of Aylwin's message at the cemetery before resuming its normal newscast.

Cuban Delegation Attends Ceremony

PY0409150690 Santiago Domestic Service in Spanish 2300 GMT 3 Sep 90

[Text] Leaders of the Christian Democratic Party [PDC] met this afternoon with the Cuban delegation which will participate in the funeral of former President Salvador Allende.

The delegation representing the regime of Fidel Castro is headed by Education Minister Jose Fernandez and Culture Minister Armando Hart. The Cuban officials were welcomed by PDC President Andres Saldivar, other PDC leaders, and congressmen in the party headquarters.

The Cuban education minister later discarded the possibility of a political opening or a change of the socialist system in Cuba like those which have occurred in Eastern Europe.

Unrest During Funeral

PY0509025090 Santiago Domestic Service in Spanish 2300 GMT 4 Sep 90

[Text] Carabineros arrested 137 people during the funeral for deceased former President Salvador Allende in the General Cemetery today.

The Carabineros Metropolitan Region director reported that from 1345 to 1530, the police arrested 137 people—55 on suspicion of creating disorder, 80 for creating disorder, one for robbery, and another for carrying a firearm. The arrestees were put under the jurisdiction of a court.

Foreign, Domestic Military Deployments Regulated

PY0509193790 Santiago EL MERCURIO in Spanish 29 Aug 90 p C7

[Text] The OFFICIAL GAZETTE yesterday published Law No. 18995 which rules on the entrance of foreign troops and the departure of national troops.

According to this law, the entrance of foreign troops in the country during 1990 must be authorized by a government decree, signed by the president of the Republic. The decree must be issued through the National Defense Ministry following a report by the Foreign Ministry and the appropriate National Defense institutions. It must establish the objective and the manner in which those troops will arrive.

The law also establishes that the Foreign Ministry and the Defense Ministry institutions must provide the requested reports within 10 days. If the reports are not presented within this period, they may not be needed [sentence as published].

If foreign troops arrive to participate in national anniversary celebrations, if they are on training or logistics trips, international courtesy actions, or fulfilling military exchange agreements, the authorization will be given by a Defense Ministry resolution.

Ships and Planes

Regarding foreign ships and planes, the law establishes that the presence of foreign war vessels in national jurisdictional waters and of foreign military planes in the air space over national jurisdictional waters or Chilean territory will be governed by domestic legal regulations, by current international treaties ratified by Chile, and by international reciprocity.

Exit of National Troops

Regarding national troops leaving the country, the law establishes that this must be authorized by a government decree, signed by the president of the Republic and issued through the National Defense Ministry, following a report by the appropriate National Defense institutions. The decree must clearly explain the objective of their departure.

If the departure is for reasons of anniversary celebrations, training, logistics, etc., an authorization by decree or decrees in accordance with the case will be sufficient.

In conclusion, the law states that anything decided within this law must be reported to the Senate and the Chamber of Deputies.

Foreign Minister Views Regional Relations

PY0109003990 Buenos Aires CLARIN in Spanish 27 Aug 90 p 6

[Interview with Foreign Minister Enrique Silva Cimma; place and date not given]

[Text] [CLARIN] Early in August you and Economy Minister Carlos Ominami attended the four-nation ministerial meeting in Brasilia. You voiced different opinions at the closing session. Are there disagreements in your government concerning the integration with Argentina?

[Silva Cimma] On the contrary, my position is most similar to Minister Ominami's.

[CLARIN] You have strongly emphasized the idea of integration while Ominami pointed out the fact that Chile had already adjusted its economy, the cost of

which has already been absorbed. This statement implicitly means that Chile will not give up its position even for the sake of integration.

[Silva Cimma] We went to Brasilia with a position that was outlined—not by Ominami but by the president—according to which we had to avoid making an exaggerated proposal, taking into account that our position is very different from Brazil's and Argentina's due to our tariff situation.

I am not including the case of Uruguay because we had not yet considered it. We have very few relations. We are on a different level, and as long as they are not on a par with us, we cannot submit joint proposals to the United States or analyze the possibility of Chile's joining the common market project.

[CLARIN] Are there a series of border conflicts between Argentina and Chile despite the Peace and Friendship Treaty signed in 1984?

[Silva Cimma] We have very small problems....

[CLARIN] There is at least one significant conflict related to the Laguna del Desierto area. How seriously do these conflicts affect integration?

[Silva Cimma] We have gradually overcome these problems. This is a point on which the two governments have agreed: the need to put an end to these conflicts as soon as possible. We do not think our border problems are significant, including those related to the Laguna del Desierto area or to the icy Patagonian region—where a group of experts sent by the Chilean Government is working for the first time. The Argentine Government, however, has sent missions there on many occasions.

[CLARIN] Do you think that President Menem's visit to Chile will help to solve those problems?

[Silva Cimma] I think so. The two presidents believe that these problems should be overcome and that we must think in terms of integration. Those small things should be overcome.

[CLARIN] Do Chilean businessmen fear integration with Argentina?

[Silva Cimma] I would like to discuss this matter with them. Whenever they talk with me, they do not refer to this topic. I know, however, that there have been contradictory opinions.

[CLARIN] It seems that Chileans have no problems other than those caused by the transition process. Do they have doubts about the problems the Argentine people have had managing their own affairs, their own economy?

[Silva Cimma] I don't think so. Nations make progress in accordance with their decisions, which are irreversible in view of the development experienced by the humankind. I do not believe that a breakdown could occur in Argentina. Neither will it happen here. It is enough to think about what has happened in East Europe to understand that we need to find more imaginative ways of looking toward the next century and we must set aside the past.

[CLARIN] Chile has a trade deficit with Latin American countries which amounts to almost $700 million. Almost 60 percent of this deficit stems from its trade with Argentina.

[Silva Cimma] Of course. This is the result of the disorder that you—not I—previously mentioned.

[CLARIN] Is this a serious obstacle to integration?

[Silva Cimma] It could be if we do not try to resolve it. I think that Argentina will make great efforts—it is already doing so—to avoid a trade imbalance. Our most important trade partners in the region are Brazil and Argentina. They account for $500 of the $700 million that you have mentioned.

[CLARIN] Argentine Foreign Minister Domingo Cavallo has tried to "seduce" the Chileans by assuring them that integration will give Chile more elbow room on the international front. Do you think he is right?

[Silva Cimma] We have major opportunities in some areas of trade policy, if we take joint action. That is the case of the restrictions imposed by U.S. policy. If we take joint action, we will likely have a greater possibility of succeeding. Unilateral negotiations will continue if Chile, Argentina, or Brazil do not try to overcome their disagreements.

In sum, the objective will be reaching a much higher degree of confidence among Argentina, Brazil, and Chile. The results will reflect this confidence. The Foreign Ministry has successfully reinstated Chile in the free world, especially in Latin America. I want this process to continue.

Scientific Cooperation To Begin With USSR

PY0509204890 Santiago EL MERCURIO in Spanish 29 Aug 90 p C 8

[Excerpts] Viktor V. Vol'skiy, member of the Soviet Academy of Science and director of the Latin American Institute of the Soviet Academy of Science on 28 August said: "The Soviet Union and Chile have begun a new stage of mutual acknowledgement." He added: "There are now more possibilities to establish cordial and very advantageous relations in the cultural, scientific, technological and economic sectors." [passage omitted]

Vol'skiy and Gustavo Cuevas Farren, director of the Political Science Institute of the University of Chile, yesterday signed a scientific cooperation agreement between the University of Chile and the Latin American Institute of the Soviet Academic of Science.

The objective of the accord, which will have to be formally approved by the rector of the University of Chile, seeks to promote the exchange of accredited scientific personnel as well as scientific publications and information on projects.

Under the exchange program, the two organizations agree to exchange first-level scientific staff to engage in investigations, to take courses, and to participate in conferences. This program will be implemented over two years, beginning in September 1990.

The accord also provides for financing the travel of the scientific personnel, removing visa restrictions, and exchanging scientific mail. [passage omitted]

Finnish Delegation Seeks To Strengthen Relations

PY0609031290 Santiago Radio Cooperativa Network in Spanish 2300 GMT 5 Sep 90

[Text] The strengthening of relations in general and trade in particular are objectives of the Finnish mission currently visiting Chile. The delegation is headed by Finnish Foreign Trade Minister Pertti Salolainen, who has met with Foreign Minister Enrique Silva Cimma. The 30-member group of Finnish businessmen discussed many projects with their Chilean counterparts. Trade between Chile and Finland has increased considerably over the past three years. Chile is currently Finland's most important Latin American business partner.

As for the Finnish delegation's objectives in Chile, Minister Salolainen said:

[Begin recording in Finnish, fading into Spanish translation] The reason for our visit is to strengthen relations in general and trade in particular. This is why we brought a business delegation here. Specifically, we have technologies that can be applied in this country in the fields of forestry and metal. [end recording]

An increase in cooperation can be expressed through different types of credit, and Finland is willing to organize technical training for several economic sectors in Chile. The change of government in Chile has been decisive for Finland since relations are being normalized, the Finnish minister said.

Australian Diplomat Discusses Trade Issues

PY0409153090 Santiago Radio Cooperativa Network in Spanish 2300 GMT 9 Sep 90

[Text] Australian Under Secretary of Foreign Affairs and Trade (?Richard Woolcock) has said that the Australian Government wants to markedly increase trade with Chile. The under secretary said this after a long working meeting with officials of the Chilean Foreign Ministry. These officials were headed by acting Foreign Affairs Under Secretary Carlos Portales.

Asked about the most interesting topics on the agenda, the Australian representative said:

[Begin (Woolcock) recording in English with passage by passage translation into Spanish] We would like to formulate a legal instrument for the overall preservation of Antarctica, for example, through the banning of mining activities. We would like to work closely with Chile in this regard. [end recording]

He stressed that the two countries have condemned nuclear tests in the Southern Pacific and have promoted disarmament, especially the deactivation of chemical weapons since the so-called cold war between the superpowers has ended.

Concerning the favorable possibilities for increasing trade, the Australian official said:

[Begin (Woolcock) recording] [words indistinct] many other issues concerning a taxation agreement between Australia and Chile and the prospects for increasing Australian investments in Chile and vice versa. We also analyzed the prospects for increasing trade. [end recording]

Australian investments in Chile amount to $2 billion and bilateral trade stands at $820 million.

Unidentified Submarine Detected Near Iquique

PY0109031290 Buenos Aires DYN in Spanish 0226 GMT 1 Sep 90

[Text] Valparaiso, 31 Aug (AFP)—An unidentified submarine was detected in Chilean territorial waters by the patrol boat Papudo, according to the report released on 31 August by the office of the commander in chief of the Chilean Navy in Valparaiso, 110 km east of Santiago.

The brief communique stated that on 30 August the patrol boat Papudo sighted a submarine sailing from north to south along the Chilean coast 12 miles off the port of Iquique, 1460 km north of the Chilean capital.

The communique added that the commander of the patrol boat continued patrolling late into the day, adding that the unidentified submarine sailed into the Pacific Ocean and all contact with it was lost before midnight.

August Consumer Price Index Announced

PY0509204090 Santiago Television Nacional de Chile Network in Spanish 1800 GMT 5 Sep 90

[Summary] According to National Statistics Institute director Alexis Guardia, the consumer price index was 2 percent in August.

Guardia said that the accrued inflation rate so far for 1990 is 15.3 percent and that the accrued inflation rate for the past 12 months totals 25.8 percent.

Uruguay

President Evaluates Administration's Performance

PY0509030890 Buenos Aires DYN in Spanish 1820 GMT 4 Sep 90

[Text] Montevideo, 4 Sep (REUTER)—Uruguayan President Luis Lacalle said today that governing the country was more complex than he thought. His government

announced a 25-percent salary increase today in the midst of general price increases.

"I knew it was going to be difficult to govern, but I never thought it was going to be so complex" said Lacalle, of the National Party, today.

Spokesmen from the opposition Colorado Party are increasing their criticism of the bipartisan agreement to approve the laws Lacalle considers essential for his government.

"With some luck, the year will conclude with approvai of the national budget and perhaps the antitrust law" said Lacalle in reference to his administration's budget and a bill for the privatization of state companies, which will be submitted to Congress this week.

As a result of discontent in a large sector of the population, the Colorado Party has been forced to review its initial support for Lacalle, and today some sectors demanded the resignation of four Cabinet ministers who belong to the Colorado Party.

Colorado Party leader Manuel Flores Silva said: "We have to vote for the laws the government needs for its stability, but the Colorado Party should get out of the joint government. Our four ministers should get out."

Lacalle sent a letter to the Interunion Workers Plenum-National Convention of Workers, PIT-CNT, requesting a vote of confidence from the workers and accepting dialogue in an effort to ease tensions.

Labor Minister Carlos Cat announced that the government has established 25 percent as the minimum salary increase for negotiations between unions and management, which are about to begin. Lacalle proposed to PIT-CNT "creation of the right environment for exchanging ideas."

On 24 August, PIT-CNT held a general strike and demonstrations demanding a national dialogue and salary increases of up to 40 percent.

The 44 percent fuel price increase announced on 1 September unleashed price increases for several products and public utilities, creating alarm about an imminent social crisis.

Lacalle said Uruguay "is experiencing problems, but not a crisis," and several politicians reacted to that statement today.

"Uruguay is going through a critical social situation," said Deputy Heber da Rosa who belongs to a center-leftist sector of the government party.

Colorado Party Deputy Daniel Garcia Pintos said: "The fact that the president said there is no crisis means nothing when people feel the crisis by just going to a meat market or food store."

The Business Association asked its members to be careful in fixing prices now that the prices of milk, meat, medicine, cigarettes, and beverages have increased 15-25 percent.

Ceferino Rodriguez of the Bar Owners Association said: "We have to be careful in increasing prices because if they are too high goods do not sell."

Leonel Gabriel, president of the Business Association, said the price increases are aimed at "making enough money to replace merchandise."

Menem, Lacalle Discuss Bush Plan, Integration

PY0309024090 Buenos Aires DYN in Spanish 2344 GMT 2 Sep 90

[Text] Colonia de Sacramento, 2 Sep (DYN)—Argentine President Carlos Menem and Uruguayan President Luis Alberto Lacalle today strengthened Latin American regional integration and bilateral relations between their two countries with a decision to build two joint projects.

Menem and his Uruguayan counterpart today met at the Juan de Anchorena ranch, 35 km from the Uruguayan city of Colonia. Menem said that during their talks they confirmed their decision to build a bridge between Colonia and Buenos Aires, but a final decision will have to be made through an agreement. Lacalle said they discussed topics of common interest related to fishing and the construction of integration projects.

They also discussed the proposal by U.S. President George Bush known as the Initiative for the Americas, which envisions the creation of a common market from Alaska to Tierra del Fuego. Menem also confirmed that on 14 September U.S. officials will meet with Latin American foreign ministers and other ministers to further clarify the proposal.

During their meeting at the 500-hectare ranch, the two presidents agreed in stating that the Argentine-Uruguayan integration process "will not succeed if it is not supported by their people."

In a news conference after the meeting, Menem announced that "the privatization process for the State Gas Company and SEGBA [Greater Buenos Aires Electrical Services] will start this week." He added that if his Uruguayan counterpart concurs, the Salto Grande dam will be also privatized.

Menem added that "the severe crisis that was affecting our country has been reversed through a reduction of up to 42 percent in public spending."

The Argentine president arrived in Colonia aboard a small plane, and he used the same plane to fly back to his country after a warm farewell from his Uruguayan counterpart.

Central Bank President Reports on IMF Talks

PY0609034690 Montevideo EL DIA in Spanish 30 Aug 90 p 1

[Text] Central Bank President Ramon Diaz told EL DIA yesterday that Uruguay negotiated the adjustment of some goals with the IMF and reached an agreement on the signing of a letter of intent, which may be definitely approved next October. He also confirmed that an

important meeting will be held in New York today with the representatives of some creditor banks. He said he is also optimistic about Uruguay joining the Brady Plan.

Diaz, who returned from the United States yesterday after meeting with IMF officials in Washington, was accompanied by Economy Under Secretary Nicolas Herrera and Central Bank Vice President Agustin Urtubey.

Diaz told EL DIA that some goals were adjusted because of inflation and oil price increases variables.

He explained that changes were made in the goals for reserves, inflation, and trade balances. Regarding inflation, he said the goal of a 35 percent projected annual inflation rate starting from the last quarter of 1990 was maintained, but the projected annual inflation rate for this period was changed to 95 percent. He added that good results in fiscal matters also lead to changes in goals in this area.

Favorable Trade Balance for First Half of Year

PY3108230990 Montevideo EL DIA in Spanish 21 Aug 90 p 13

[Summary] The General Directorate of Statistics and Census has reported that in the first half of 1990 exports totaled $771 million and imports totaled $664 million. This represents a $107-million trade balance surplus.

Fuel Prices Increase 43 Percent as of 1 Sep

PY0209225490 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1621 GMT 1 Sep 90

[Summary] Montevideo, 1 Sep (AFP-NA)—Fuel prices increased by 43 percent as of 1 September, causing long lines to form in front of gasoline stations the preceding day. Many stations sold all their gas to drivers. Uruguayans are paying dearly for the Persian Gulf crisis: The price of gasoline has soared to nearly $1 dollar per liter, a very high price at the international level.

Venezuela

Foreign Ministry Dispute Over Embassy in Kuwait

PA0409233990 Caracas Venezolana de Television Canal 8 in Spanish 1600 GMT 4 Sep 90

[Text] Jose de Jesus Osio, former Venezuelan ambassador to Kuwait, stated that he received explicit instructions from the Foreign Ministry to abandon the occupied country. Meanwhile, Foreign Minister Reinaldo Figueredo Planchart said that Osio left the Venezuelan Embassy in Kuwait without authorization. Figueredo added that the affair is serious because a mission head should on no account abandon his commitment to watch over the well-being of Venezuelan citizens under his protection. Osio told his story following his very arduous escape from Kuwait, with no money or food, together with his wife Elena, his sons Romulo, 12, and Asel, 11, and the driver. They crossed more than 500 km of desert, defying dangers and the obvious obstacles of a war-torn area—Kuwait, Iraq, Turkey, and so on.

[Begin recording] [Osio] On 8 August I received explicit instructions to leave the country. On 13 August I reported there were Venezuelans in the country. On 16 August I repeated that there were Venezuelans in the country, that they needed to be taken out, and that I did not want to leave without them. Furthermore, the order to leave the country was repeated on 13 and 16 August. I waited until 21 August without receiving any counterorder. The only instruction I received was to leave the country and head for Cairo. I obey orders; I do not question them.

[Reporter] Do you believe the Foreign Ministry abandoned you and the rest of the Venezuelan citizens?

[Osio] I believe there was a great lack of coordination.

[Figueredo] The only direct contact we had from the ambassador to the Foreign Ministry was a message stating that he believed he should stay on longer, in solidarity with the rest of the diplomatic corps in Kuwait. This was the only direct message we received from the ambassador. As soon as we learned through our ambassador in Sweden that there were Venezuelans in Kuwait, the Foreign Ministry made the necessary arrangements for them to be evacuated from Kuwait. We were expecting the ambassador, together with his family and the rest of the Venezuelans, to show up in Amman. We later found out that the ambassador had suddenly turned up in Turkey. [end recording]

Oil Production To Increase by 400,000 Barrels

PA0109035490 Paris AFP in Spanish 0009 GMT 1 Sep 90

[Text] Caracas, 31 Aug (AFP)—On 31 August Venezuela's Energy Ministry and its state petroleum holding, Venezuelan Petroleum, Inc. (PDVSA), announced in Caracas that Venezuela will increase its oil production to 400,000 barrels daily (B/D) by December.

In a joint communique, the Energy Ministry and PDVSA pointed out that in accordance with the agreement reached by the OPEC Monitoring Committee in Vienna on 29 August, the following will be Venezuela's daily production limits over the next four months:

September, 250,000 barrels per day
October, 300,000 barrels per day
November, 350,000 barrels per day
December, 400,000 barrels per day

The communique also points out that placement of these additional volumes will be based upon the following priorities:

That they are issued to traditional clients and countries with which Venezuela has signed economic cooperation agreements and have requested additional oil supplies, such as Spain.

The San Jose Agreement (Central America and the Caribbean).

Third world countries with inventory problems, such as Brazil and India.

Venezuela, until the recent OPEC meeting in Vienna, had been assigned a quota of 1,945,000 barrels per day. It also produces 108,000 barrels per day of petroleum liquids, and 37,000 barrels per day of condensates. Adding all of these figures, including the additional volumes, Venezuela will be producing 2,940,000 [number as received] barrels per day in December.

Guyana

Group May Support 'Third Slate' for Elections

FL0409210390 Bridgetown CANA in English 2021 GMT 4 Sep 90

[Text] Georgetown, Guyana, Sept 4, CANA—A political pressure group in Guyana said Tuesday it may be forced to support a "third slate" of candidates for forthcoming general elections if the opposition Patriotic Coalition for Democracy (PCD) fails to arrive at a "unified electoral solution".

The Guyanese Action for Reform and Democracy (Guard) released its statement hours before the five-party PCD was scheduled to meet in last minute efforts to settle their differences over a consensus presidential candidate for the elections due by March 31, 1991.

Dr. Cheddi Jagan's People's Progressive Party (PPP), has given the alliance up to September 7 to decide on the candidate, failing which it will go to the polls alone. The PPP is insisting that Jagan, and not lawyer-trade unionist Ashton Chase, be the candidate to head a joint electoral slate comprising representatives from PCD parties, Guard, other opposition non-PCD parties and other organisations. Chase's candidacy has the strong support of PCD member, the Working People's Alliance (WPA) which favours a personality from outside the PCD.

A third PCD member, the National Democratic Front (NDF), also favours a candidate from outside the PCD while the fourth member, the Democratic Labour Movement, says it is prepared to accept the decision reached by the WPA and the PPP.

A Guard slat would likely make the elections a three-cornered contest with the two major parties, the ruling People's National Congress and the PPP.

In its statement Tuesday, Guard said this option of supporting a "third slate" would "reflect the strong desire expressed by many Guard supporters for a new approach to political life" in Guyana. Guard added: "A choice between the two traditional political parties would not meet the aspirations of the majority of Guyanese. Moreover, an electoral contest between these two parties would not promote the search for a national solution. "On the contrary, the obsession with power threatens to polarise the society once again along racial lines, with the attendant risk of tension and violence."

Government Limits Role in Observer Mission Visit

FL0509213490 Bridgetown CANA in English 2046 GMT 5 Sep 90

[Text] Georgetown, [dateline indistinct] CANA—In the face of opposition protest, the Guyana Government has given up its role in organising next Monday's visit of a Commonwealth team that is coming to plan for an independent observer mission at forthcoming general elections here. The government had published notices urging political parties and other interest groups wishing to meet with the visitors to contact the office of the president by September 5.

The vocal opposition Working People's Alliance (WPA) party however criticised the Guyana Government for handling the arrangements, alleging a conflict of interests, and had dispatched a cable to the Commonwealth secretary general calling on him to "find independent auspices or cancel (the) visit." The WPA had threatened to boycott the mission, contending that the arrangements for the exercise should not be made by the office of the president, since the president himself (Desmond Hoyte) would be a candidate in the elections.

A Guyana Government official told CANA [CARIBBEAN NEWS AGENCY] that political parties and other interest groups wanting to meet with the mission should contact it at the Pegasus Hotel. The official said the government's role would now be to provide transportation and the services of a liaison officer.

The postponement of the Commonwealth team's visit—it was originally due August 5—is being seen here as a direct response the WPA's protest. The WPA and the other opposition parties say they will be staging demonstrations to mark the arrival of the Commonwealth planning mission.

UK, U.S. Electoral Reform Involvement Debated

FL0509181690 Bridgetown CANA in English 1623 GMT 5 Sep 90

[Text] Georgetown, Guyana, Sept 5, CANA—Leader of the opposition People's Progressive Party [PPP], Dr.Cheddi Jagan, has made a plea for U.S. and British involvement in the country's electoral reform. But President Desmond Hoyte has dismissed the suggestion saying requested changes must be brought about by Guyanese.

The two were speaking at the first session of a national dialogue, in which Jagan proposed that the government should accept an offer of ballot boxes, experts, and finance from the United States Government "to support the process of certified free and fair elections" in the country. He also said the Hoyte administration should invite the British Commission on Racial Equality to advise on the establishment of a similar institution in Guyana. The PPP leader

suggested also that the government should invite the Black Caucus of the United States to advise on measures such as affirmative action against discrimination.

However, President Hoyte said Guyanese must bring their own thinking to bear on the organisation of their national life and come up with their own solutions to national problems.

"As Guyanese, we cannot abdicate this responsibility which is an essential concomitant of independence. No foreigner has a duty to think for us; indeed, no foreigner can think for us," said the Guyanese President.

The PPP leader's suggestion was part of a 13-point action plan he proposed at the meeting. He urged that a priority should be talks with the Patriotic Coalition of Democracy (PCD), a grouping of opposition parties in Guyana, and other organisations working on electoral reform. Jagan also stressed that some attempt must be made to form a government comprising representatives of all political parties and other organisations, "based on the results of free and fair elections."

The national dialogue was proposed by the opposition Working People's Alliance (WPA) and the motion was unanimously approved by the National Assembly last December. The WPA is, however, boycotting the talks contending that Hoyte's People's National Congress is bent on making a mockery of it, and that the procedures being put in place are not in keeping with those it envisaged when it moved the motion. Like the WPA, the other opposition parties have also taken little interest in the dialogue.

In his speech, Jagan gave the impression that the PPP might not have participated, but he told CANA [CARIBBEAN NEWS AGENCY] afterwards that the PPP would most likely take part provided certain important issues are addressed. But he predicted that the talks would be a "collossal failure." In an apparent reference to the decision of some opposition parties to boycott the national dialogue, and to opposition's demands that the question of electoral reforms must be placed at the top of the agenda, Jagan said an essential requirement for the success of the exercise was that all Guyanese should be involved. Hoyte said it could not be in the national interest that any segment of the Guyanese people should be isolated from the mainstream of national life.

Suriname

Government Condemns Iraqi Invasion of Kuwait

FL0509191490 Paramaribo International Service in English 1730 GMT 5 Sep 90

[Text] Suriname has joined nations which have condemned the invasion and annexation of Kuwait by Iraq. In a statement issued yesterday, the Surinamese Government said that it supports the resolutions of the United Nations Security Council and the United Nations General Assembly imposing financial embargos against Iraq. Suriname, however, hopes that the crisis in the Persian Gulf will be settled peacefully and supports efforts by the UN secretary general in this respect, said the declaration.

'Bastion' of Rebel Commander Brunswijk Captured

PA0309223290 Paris AFP in Spanish 2042 GMT 3 Sep 90

[Text] Paramaribo, Suriname, 3 Sep (AFP)—The Surinamese Army today took the island of Langatabetje on the Maroni River, which delimits the border with French Guiana. The island is the bastion of the rebel jungle command of ex-soldier Ronnie Brunswijk, who managed to escape, military spokesman Borge Breeseld has reported.

Breeseld said that the military takeover occurred after heavy clashes with the rebels this past weekend. He stated that the Army had not sustained any casualties, but would not say whether the rebels had sustained any.

Workers Threaten To Strike If Guilder Devalued

FL0509190790 Paramaribo International Service in English 1730 GMT 5 Sep 90

[Text] The Council of Trade Union Federations in Suriname, Ravaksur, will take to the streets if the government carries out its intention to devalue the Surinamese Guilder. This has been stated by Fred Derby, member of the Presidium of Ravaksur, to the daily DE WARE TIJD.

Derby was reacting to a speech by President Ramsewak Shankar during his presentation of the draft budget to the National Assembly. Shankar stated that adjustments in the foreign currency rate is inevitable.

Trade union leader Fred Derby, however, says that this measure will further lower the living standards of the workers. He pointed out that the poverty line has become two times higher in the [words indistinct] years. Derby asked himself why the government didn't sit around the table with the bauxite companies to get more input from this sector. The state and the private sector, according to Derby, must participate in the bauxite (?industry) to break the monopoly position by the foreign company.

President Shankar didn't mention a single word about the bauxite sector but he spoke about devaluation, said Derby, who further adds that the workers will go to the streets if the devaluation is carried out.